

Violence Erupts in Germany Youths Released After 4 Wounded

By Steven Kinzer
New York Times Service

MAGDEBURG, Germany — At least four people were stabbed and 49 others were arrested in an outbreak of anti-foreigner violence in this eastern German town.

All but one of the 49 arrested were released before dawn Friday, and the one who remained in custody was held only because a warrant was outstanding for his arrest on an unrelated charge. Officials said they were not sure they had enough evidence to bring charges against any of those involved in the assaults.

In the face of sharp local and national criticism of the quick releases, police officials here sought to defend their actions. They conceded that the police had been slow to respond to the assaults and pledged to carry out further investigations.

Chancellor Helmut Kohl's chief adviser for matters relating to foreigners, Cornelia Schmalz-Jacobsen, said the attacks in Magdeburg marked "a new and horrifying high point" in the wave of xenophobic violence that has spread across Germany since the country was reunified in 1990. She said police in response suggested that officers in the eastern states were not sufficiently trained or equipped to suppress rightist violence.

"Human beings are being hunted down as they were in the worst times of the SA," Mrs. Schmalz-Jacobsen said, referring to the terror squads that served Hitler.

Police officials said the assailants in Magdeburg were led by young men known for their far-right political views and their propensity for violence. The majority of them, however, were described as drunken hooligans and skinheads, who acted out of generalized resentment at social conditions rather than clear racist or anti-fascist ideologies.

Thursday was Ascension Day, a holiday in Germany, and by mid-day groups of intoxicated youths were gathering in and near Magdeburg's city center. At around 3:30 P.M., a gang of them surrounded and began to beat five African asylum-seekers. The five fled into a cafe owned by local Turks, and their attackers pursued them, smashing windows and terrorizing patrons.

"They shouted, 'We're hooligans! Germany for the Germans! Foreigners Out!'" recalled a waitress in the cafe.

Faced with the onslaught, several Turks in the cafe grabbed knives and, according to police, stabbed four of the assailants. All were said to have been seriously wounded but not in danger of death.

For many hours after the stabbings, gangs of Germans and non-Germans roamed the streets, clashing repeatedly. The 30 policemen who responded to the original alarm were reinforced to a strength of more than 200 by late Thursday night.

All of those arrested were local men under the age of 25, according to Magdeburg's senior police official, Antonius Stockmann.

"In the chaotic circumstances, it was not possible, despite our efforts, to determine which of the people we arrested were responsible for specific acts," Mr. Stockmann said.

This was not simply an eruption of anti-foreigner feeling, and the perpetrators should not be described as exclusively rightist radicals," he asserted. "Most of them are not rightists in any way. The majority were simply going along with a chain of violence in which alcohol played a key role."

Conditions in Magdeburg, which is the capital of Saxony-Anhalt, formerly in East Germany, reflect those in many eastern towns. Unemployment is officially put at 20 percent.

Nearly all of the state-sponsored youth clubs where young people spent much of their free time before unification have been closed.

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A Sarajevo resident handing out newspapers to government soldiers as they marched in the Bosnian capital on Friday. A truce with Croats has been a boon to the army.

Dimitar Kostic/Reuters

For Bosnian Army, Time Is a New Ally

By Roger Cohen
New York Times Service

VITEZ, Bosnia-Herzegovina — For the first time in 25 months of war, the Bosnian government feels that time is on its side in its military struggle against the Serbs.

Throughout Bosnia, officers in the Bosnian Army appear buoyed by the end of fighting between Muslims and Croats two months ago. Although the full effects of this cease-fire have not been felt, the Bosnian Army is now more mobile, less stretched, and somewhat better armed.

Here in central Bosnia, where fighting between Muslims and Croats was prolonged and bitter, a tenuous peace holds, and British officers stationed in Vitez with the United Nations peacekeeping force say the Bosnian Army is now getting some arms and ammunition up through Croats despite a UN arms embargo.

"The federation between Muslims and Croats has brought a significant shift," said Major Rod Tracey, a British officer. "The Bosnian Army is still terribly short of ammunition, but they are getting some. There are also the first signs of Croats and Muslims working together against the Serbs, in the Zepce area and up near Maglaj."

Apart from improving the Bosnian Army's supply of weapons and ammunition, the new alliance with the Croats has brought much-needed fuel into Bosnia. This has vastly increased the mobility of the Bosnian Army.

increased the mobility of the Bosnian Army, analysts say, and part of the highly effective 7th Brigade, which formerly fought the Croats in central Bosnia, is moving to the sensitive Olovo and Kladan fronts against the Serbs.

The fact that the Bosnian Army is now fighting one war rather than two has already toughened the negotiating stance of the Bosnian government, and the vote on Thursday by the U.S. Senate calling on President Bill Clinton to unilaterally lift the arms embargo on Bosnia will only reinforce this trend.

In new talks Friday in Geneva, international mediators were hoping at least for a temporary cease-fire — of three or four months — to allow time to negotiate.

But a temporary cease-fire in the currently poised military situation is a highly sensitive issue. Because the Serbs are aware that time may be working for the Bosnians, they are reluctant to accept a three-month truce that may only leave them fighting a considerably reinforced Bosnian Army at the end of the summer.

Instead, the Serbs want an open-ended ceasefire across Bosnia. But Haris Silajdzic, prime minister of the Muslim-led Bosnian government, and his top army officers are deeply wary of freezing Serbian territorial gains in place, and apparently convinced that, with time, they can push back the Serbs on the battlefield.

International military observers in Bosnia are, however, not yet convinced that — without

a lifting of the arms embargo — the Bosnians have the power to roll back the Serbs, whose superiority in heavy weaponry and in ammunition remains overwhelming.

Every time the Bosnians mount an assault, the Serbs are in a position to lob shells onto Tuzla, Travnik, Olovo, or even Sarajevo," Major Tracey said. "This has been a pattern throughout the war, and will continue."

Major Cyrille Frayer, a French officer working as a European Union military observer in Tuzla, said Serbian infantry appeared demoralized, disorganized, and poorly motivated. Despite the Serbs' huge superiority in tanks, artillery, and guns, this infantry appeared incapable of occupying and holding ground.

Apart from activity against encircled and weak Muslim enclaves like Gorazde or Srebrenica, Serbian forces have shown little ability to make inroads against government troops.

"If the Serbs had a real infantry, they would have finished with Bosnia a long time ago," Major Frayer said.

On the other hand, a superior and more motivated Bosnian infantry — made up largely of Muslims who are fighting to return to their home towns — still appears to lack the anti-tank weapons and artillery cover to make significant inroads on the Serbs. Moreover, with a very long front to defend, the Bosnians lack the forces to mount two large offensive actions at once, and so put the Serbs off balance.

Tehran Denies It Sent Cargo Of Explosives

Compiled by Our Staff from Dispatches

ZAGREB, Croatia — An Iranian diplomat on Friday denied a report that an Iranian cargo jet that landed in Croatia 10 days before brought explosives for the Bosnian Muslims, saying that the cargo consisted of food.

But a Bosnian Army source confirmed the report.

The Croatian government also denied the report, in The Washington Post, that an Iranian Air Force transport carrying at least 60 tons of explosives and other materials for weapons production for Bosnian Muslims landed at Zagreb on May 4.

But a senior Bosnian Army source said the Bosnian government forces received their share of the explosives after Bosnian Croats took one-third, he said.

(Reuters, AP)

WORLD BRIEFS

2 Englishmen Guilty in IRA Blasts

LONDON (AP) — Two Englishmen were convicted Friday of conducting an Irish Republican Army bombing campaign last year that included blasts outside Harrods department store in London and to a train. A computer expert, Patrick Hayes, 41, and a former soldier, Ian Taylor, 51, both of London, were each sentenced to 30 years in prison.

Four people were wounded in the Harrods bombing in January. A bomb on a train from London to Ramsgate, about 100 miles (160 kilometers) to the east, caused severe damage. The jury also convicted the two of possessing explosives and firearms.

Mr. Hayes was also convicted of plotting to set off three more bombs in the London area, none of which exploded. The judge said that although Mr. Hayes had been convicted of more crimes, he could not discriminate between the two bombers "on the scales of wickedness" so both got the same jail term.

Mexico Invites UN Electoral Role

MEXICO CITY (LAT) — The government has asked the United Nations to provide technical assistance to national observers of the presidential elections on Aug. 21 and to issue a report on Mexico's new computerized electoral system.

UN officials said they were acting on the request, made in a letter dated May 10 and made public Thursday. This is the first time that Mexico's country generally acknowledged to be plagued by election fraud, having asked for such help.

The request is the latest in a series of moves to improve the credibility of the federal elections. The government has permitted audits of voter-registration rolls, organized tours of electoral computers and commissioned surveys from pollsters with a reputation for independence.

Pacific Naval Games to Start May 26

SEOUL (AP) — The navies of Japan and South Korea will hold their first exercises together when they take part in U.S.-led RimPac maneuvers in the Pacific from May 26, the Defense Ministry announced Friday.

This will be South Korea's third time in the biannual exercise but its first time in maritime exercises with Japan, a ministry spokesman said. The exercises will be staged in the West and Mid-Pacific region from May 26 through July 16 by the navies of the United States, Australia, Canada, Japan and South Korea to secure maritime transportation routes and promote combined operational capabilities, he said.

Peacekeeper Politics in South Africa

PRETORIA (Reuters) — South Africa's new national defense force said Friday that any decision about its participation in foreign peacekeeping was political.

A South African National Defense Force statement said the new constitution made provision for South African peacekeeping operations, but it added that involvement beyond the borders of South Africa was a "political decision."

Colonel John Roff, a spokesman for the force, said there had been several questions from the press about possible South African participation in foreign peacekeeping operations, specifically in Rwanda.

Clinton to Get His Oxford Degree

OXFORD, England (Reuters) — President Bill Clinton will receive a degree from Oxford University when he visits Britain in June, university administrators said Friday.

The sheepskin will complete an academic career that Mr. Clinton began but did not finish, 26 years ago. He studied politics at Rhodes Scholar at University College, Oxford, from 1968 to 1970, but left to study law in the United States.

He will receive the degree of Doctor of Civil Law by Diploma on June 8 at the end of a European trip to mark the 50th anniversary of the D-Day invasion.

French Investigate Tapie Over Yacht

PARIS (Reuters) — French prosecutors have begun a tax-fraud investigation of Bernard Tapie, the business executive and politician, after an official complaint about his luxury yacht, judicial sources said Friday.

The investigation focuses on possibly improper tax benefits gained by registering Mr. Tapie's 74-meter yacht Phocas as a commercial vessel, even though he used it exclusively for his personal benefit, the sources said.

Mr. Tapie, a self-made millionaire propelled into the spotlight through his ownership of the successful Marseille soccer team, is running for the European Parliament in next month's election. The former cabinet minister heads the small Leftwing Radicals Party in the June 12 vote.

The latest appointments included Paul Cheng, the chairman of Inca-Plastic, a unit of Inshape PLC; Wong Ying-wai, former deputy trade and industry director-general; and Arthur Garcia, a former government ombudsman. New members from the Chinese side included Guo Fengmin, the Chinese team leader of the Chinese-British Joint Liasion Group, and Wu Lan Mulin, the deputy director of Xinhua press agency in Hong Kong.

China Names 13 to Hong Kong Panel

HONG KONG (AP) — China has appointed 13 more members to its Preliminary Working Committee, Beijing's shadow policy-making body in Hong Kong.

The committee is charged with mapping out Hong Kong's post-1997 political system in conjunction with top Beijing officials, led by Foreign Minister Qian Qichen.

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For the Record

A Portuguese pilot and a flight mechanic were killed Friday when their unarmed jet fighter crashed into a beach during a NATO training drill on the northern Spanish coast of the Mediterranean, a Spanish Defense Ministry spokesman said in Madrid.

Suspected Islamic extremists shot and killed three policemen in two incidents Friday in southern Egypt, police officials said.

TRAVEL UPDATE

A Day for Savoring Dutch Windmills

AMSTERDAM (AP) — Visitors to the Netherlands can take a rare peek behind the scenes at more than 650 windmills Saturday as the Dutch celebrate National Windmill Day. All shapes and sizes of windmills will be open to the public, including several newly renovated examples.

About a thousand windmills still exist in the Netherlands. More than six hundred are still operating, most for grinding wheat and pumping water. Earlier this year the Ministry of Culture pledged up to 100 million guilders (\$33 million) to preserve the remaining mills.

In the mid-1800s there were about 10,000 windmills keeping the wheels of the Dutch economy turning. But with the advent of steam and then electric power, the mills eventually sailed into the industrial sunset.

A shipping strike that has paralyzed French passenger ferry services to North Africa was declared illegal Friday. A court ordered ship workers back to work as union negotiators rejected a management proposal for settling the dispute.

Rampant safety violations at four Philippine airports, including squat houses alongside runways, led the government to close the airports on Friday. The four airports were Dipolog on Mindanao island; Bacolod in the central Philippines; Cauayan north of Manila, and San Jose south of the capital.

(Reuters)

Labor Party to Move Fast to Pick a New Leader

Reuters

meeting of the national executive committee on May 25.

Labor is riding high in opinion polls, comfortably ahead of Mr. Major's divided Conservatives. Mr. Smith was still celebrating Labor's victory in local council elections when he died of a heart attack in his London home.

Labor, the Conservatives and the centrist Liberal Democrats called off campaigning for several days before next month's European parliamentary election as a gesture of respect for Mr. Smith.

Party elders fear delaying the choice of a successor until the party's annual conference in October would be disastrous.

Neil Kinnock, who stepped down after Labor's fourth consecutive election defeat in 1992, after initiating a modernization of the party

that was continued by Mr. Smith, said of his successor:

"His view would be, without any question, that we should pick up the traces as quickly as possible in order to sustain the momentum that he contributed so greatly to achieving."

The leading contender for the succession is the party's home affairs spokesman, Tony Blair, a 41-year-old Scottish barrister who has stolen Tony's thunder by pressing for tougher law-and-order measures. Bookmakers on Friday made him favorite at 5-2.

And Gordon Brown, the party's finance spokesman, are fellow modernizers as well as close friends. They face a hard decision in deciding whether to stand against each other.

Margaret Beckett, who took over as temporary leader after Mr. Smith's death, may also enter the race.

Erik Erikson Dies, Life-Stages Theorist

New York Times Service

vaded many layers of society, from education to medicine to law to biology to psychiatry to low-brow culture.

His popular recognition reached a peak in the 1970s, particularly because of his identification with the development of "identity crisis," a term he coined.

The term "psychobiography," which he did not originate, was also associated with his name. His most significant contribution, however, was the concept of a malleable and changeable ego in adults, a departure from traditional notions of an ego fixed early in life and persisting to old age.

A key element in Dr. Erikson's theory of successive changes in personality and, hence, modification of the ego was that the dynamics of the society in which a person lived determined the extent of the resolution of the changes.

By placing the individual firmly in a societal matrix, he was able to suggest the degree to which political, economic and social systems, all exterior forces, mold a person's interior emotional life.

In that manner Dr. Erikson sought a union between psycho-

analysis and the social sciences. As a pioneer in the study of the life cycle, he considered that it consisted of eight crucial stages.

Herald Tribune

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Haiti: No Rush to Invade

Emil Jonassaint, a former Supreme Court justice, was sworn in Wednesday as president of Haiti by a minority of legislators with the backing of the military junta. It was a clear act of defiance toward the international community, which last week voted in the United Nations to intensify sanctions against Haiti to force its illegitimate rulers to step down and allow the return of the exiled president, Jean-Bertrand Aristide. In response, some members of the U.S. Congress and other observers have begun talking more seriously about the use of military force to oust the coup leaders and allow Father Aristide to return.

That would be a mistake. Mr. Jonassaint's appointment does not materially change the situation in Haiti. The new sanctions, set to begin May 21, should be given a chance to work. The pressure they will exert on the country's rulers will be just as uncomfortable, whether or not they are living under the charge of a legitimate government.

In addition, many members of the Organization of American States oppose any kind of military intervention. France agreed on Thursday to participate in a UN force to help Haiti assemble a democracy after Father Aristide's return, but refused to take part in any intervention to oust the junta. It is unlikely the United States would attempt to intervene on its own, and unilateral action would also be unwise, given the unhappy history of

American meddling in Haiti. But the administration can take some helpful steps short of sending in the troops.

Most of these steps are outlined in the bill introduced by Representative Ronald Dellums of California and Senator Christopher Dodd of Connecticut. Perhaps its most effective provision is a complete cutoff of commercial air traffic with Haiti. The UN sanctions approved last week only apply to private air traffic, and therefore stop short of complete isolation of the country. The bill also calls for the United States to organize a multinational force to patrol the border with the Dominican Republic, where contraband crosses regularly into Haiti.

President Bill Clinton can announce that the United States is cutting off all its air traffic, and ask other nations to do likewise. He can also make a strong case for all UN members to follow the Security Council's recommendation to freeze all assets of Haiti's military officers.

Mr. Clinton's advisers should bear in mind that, until now, the measures taken against Haiti's military have merely created inconvenience for the junta and its supporters in the Haitian elite. They should stay calm in the face of the junta's defiance, and allow more stringent measures a chance to have their effect, before resorting to force.

—THE NEW YORK TIMES.

For Justice on Death Row

The Congress seems bent on adding dozens of death sentences to the U.S. criminal code. At least the House, trying to retain some balance in the pending crime bill, has included a measure to reduce racial bias in administering capital punishment.

Not so the Senate, which ignobly has voted to keep the House's proposed Racial Justice Act out of the final crime bill when a Senate-House conference committee meets to reconcile their versions.

The Senate has instructed its conferees to resist the House measure. Conference often ignore such instructions and should do so again, especially when they have a chance to curb the death penalty's notorious racial disparities.

The measure would allow defendants to show a pattern of biased sentencing in their jurisdictions that taints their death sentences. They might show, for example, that only African-American defendants were executed for certain crimes, or that for certain crimes death was denied only when the victim was white. The prosecution could still prevail by justifying the sentencing patterns and particular sentences on nonracial grounds.

Senator Alfonse D'Amato, Republican of

New York, the author of the Senate's resolution, denounced the racial justice measure as a "quota bill," contending that it required equal numbers of all races on America's death rows.

That is the samephony sloganizing Mr. D'Amato used in opposing the 1991 Civil Rights Act. But this time the Senate, by a vote of 58 to 41, bought the argument. Perhaps the conference committee, with Justice Department help, can find clarifying language that would save this worrisome provision from Mr. D'Amato's caricature.

Opponents falsely charge that this safeguard would shut down the execution chambers. Some supporters would like to abolish capital punishment, but decided not all of them. Racial justice has adherents who favor or are reconciled to the death penalty but yearn for assurances that it can be inflicted fairly.

Surely justice is justified when only one execution since 1976 involved a white who killed a black, and when all of Attorney General Janet Reno's recommendations for death sentences so far involved black defendants. It is the House that needs to stand firm, redeeming the Senate's flirtation with racial injustice.

—THE NEW YORK TIMES.

A Sharp Eye on Congress

It is amazing how many senators who really did not want to ban lobbyists' gift-giving to members of the U.S. Congress decided to vote the ban anyway. Last week, an amendment to gut a gift reform bill sponsored by Senator Carl Levin, a Michigan Democrat, drew 39 votes. But on Wednesday, only four senators opposed final passage of this strong gift ban: 95 voted yes. The explanation is that most members of Congress know that the gifts and "charity" golf excursions now permitted look terrible to the folks back home. The Post's Helen Dewar captured the Senate mood, describing it as "grumpy but image-conscious."

The folks back home are right: the gift-giving should be banned. We understand why some Washington restaurateurs lobbied against these reforms. Fewer lobbyist-paid lunches could cut their trade. But the fact that the take from these practices was big enough to inspire the restaurant owners to action is precisely why they should end: the culture of pricey lobbying is not healthy for democracy or for Congress's standing with the public.

A tough fight lies ahead because a House bill, passed earlier this year, is substantially weaker than the Senate's. Some senators who voted for Mr. Levin's bill even though they dislike it will be privately encouraging

—THE WASHINGTON POST.

Other Comment

Numbed to Genocide

Genocide, according to Jared Diamond, a research biologist at the University of California at Los Angeles, is a behavior that Homo sapiens shares with the other primates, notably with the two extant species of chimpanzee. Attested in several other species, genocide is particularly well-documented among primates. Field research has shown clearly that bands of chimps exterminate rival bands down to the last member. As for the normality of genocide in humans, its empirical frequency — Mr. Diamond counts 17 occurrences between 1950 and 1990 alone — is disturbing confirmation that, in all of these instances, the immoral is not unnatural.

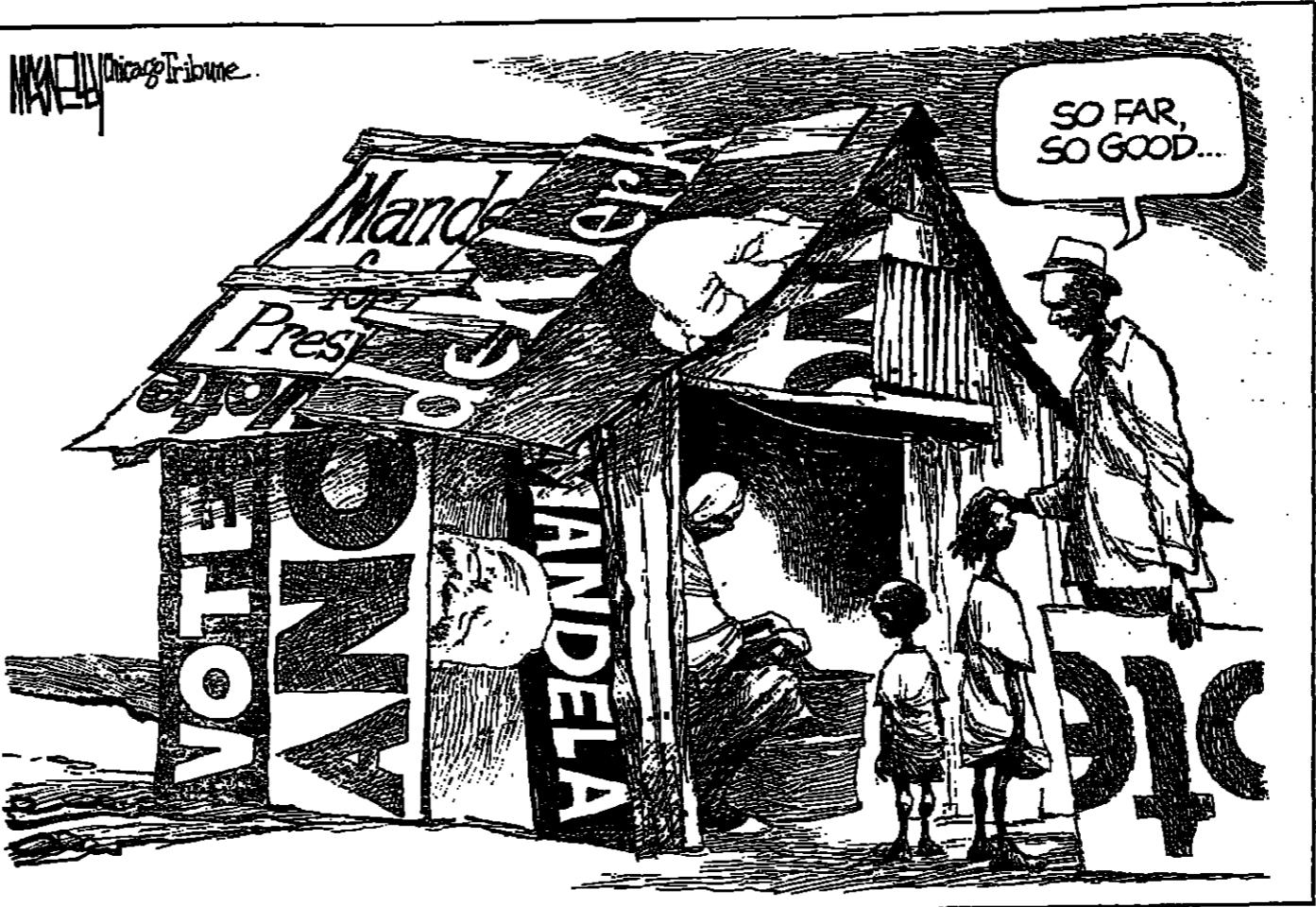
Do humans have a collective genetic capacity for genocide? In morality, as in all human achievement, humankind often challenges nature. We are genetically programmed to like

sweets, for example, but our original environment, in which they were rare, has been succeeded by one in which they are harmfully abundant. A correction is called for. Our collective capacity for genocide, fatally enhanced by technology, calls more urgently for a similarly collective correction.

Unfortunately, as Mr. Diamond and others have noted, genocide induces a psychic numbing not just in its victims and perpetrators but also in those who merely witness or hear of it. The ape in us, so to speak, knows enough about ape destructive capability to run from the sight and sound of mass murder. But the ape's repugnance may indeed be like the craving for sweets: undeniably natural but, in the contemporary context, a harmful reaction.

Measures to neutralize the genocidal tendency are encouragingly widespread and effective. But they are not yet infallible.

—Los Angeles Times.



China: Limited Trade Won't End the Labor Abuses

By Dorothy Solinger

IRVINE, California — As the Clinton administration backs away from using the most drastic of trade sanctions to promote human rights in China — that is, ending its most-favored-nation status — one of the compromise plans being most seriously considered is to impose more limited sanctions.

Those who support this proposal argue that by trading only with enterprises owned and managed by the private sector or involved in joint ventures with foreign capital, the United States would be encouraging the most progressive sectors in China, while exerting pressure on the state. Most of the objections to this proposal have to do with its impracticality and the difficulty of enforcing it.

I would suggest that there is another, more important problem: that many of the private enterprises in China are responsible for some pretty nasty human rights abuses of their own. For the so-called entrepreneurial sector in China contains a huge number of businesses that accord shameful treatment to their employees.

True, some firms in this sector rely partly on technically trained, sophisticated personnel. And these staff do get pensions and other protection. But many of these firms, especially in the rural and suburban areas and the ones developed with Hong Kong capital, depend primarily on near-destitute, undereducated manual workers drawn from poverty-stricken areas of the countryside that are experiencing huge labor surpluses. These workers are treated as labor reserve people who "come when beckoned and leave when dismissed" in the words of a Chinese periodical.

As with any migrant labor the world around, these peasant-workers are handed the dirty jobs. They receive few or no benefits and have no job security. An apt comparison would be to the miserly workweek consists of six eight-hour days.

Benefits may be far skimpier for peasants than for the permanent urban regulars in the state firms. But in reports and interviews on treatment of rural migrants, there are no stories of a total lack of benefits, of assaults on workers' dignity and bodies, of poisonous exposures, excessive overtime, embezzled wages or frisks and searches, as we find especially in press reports of the foreign-funded ventures.

Why this discrepancy? Primarily because while China is in the midst of a transition away from socialism, this does not mean it is going to step directly into the sort of mature capitalism that we in the West tend to associate with a market economy. In those areas where the state is largely absent, the transition to welfare state capitalism as we know it does not take place easily or rapidly, just as it did not in the West.

Chinese journalists writing in a magazine in Guangdong Province revealed that in the entrepreneurial sector (including both foreign-funded and Chinese firms in the rural areas) of the Pearl River Delta 12- to 18-hour days, seven-day weeks, 20-minute lunches, and a total absence of labor protection, sanitation and injury compensation are the rule — all flying in the face of state regulations.

There are grim tales of fires, such as one in a Shenzhen factory in November 1993 in which 84 workers, locked in to prevent theft, burned to death. Chinese journalists writing in a magazine in Guangdong Province revealed that in the entrepreneurial sector (including both foreign-funded and Chinese firms in the rural areas) of the Pearl River Delta 12- to 18-hour days, seven-day weeks, 20-minute lunches, and a total absence of labor protection, sanitation and injury compensation are the rule — all flying in the face of state regulations.

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Only Force Will Free Haitians

By Richard Haas and Stephen Solarz

WASHINGTON — After three years of efforts by the United Nations Security Council to restore democracy to Haiti by limited sanctions and diplomatic means, it is clear that U.S. policy is not working. Both Hait

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ill Free
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China's President Calls Crackdown Key to Prosperity

Compiled by Our Staff From Dispatches

BEIJING — Five years of prosperity and stability since the Tiananmen Square crackdown of pro-democracy protesters prove that the army's repression was right thing to do, according to President Jiang Zemin.

"A bad thing has been turned into a good thing," said Mr. Jiang, who also heads the Communist Party.

"As a result, our program of reform and opening has forged ahead with steadier, better and even quicker steps, and our advantages have been brought into fuller play," he was reported to have told Prime Minister Mahathir Mohamad of Malaysia on Thursday.

Western diplomats interpreted Mr. Jiang's comments and the prominence given to them as a clear warning to anyone contemplating a challenge to the regime.

"The fact that Jiang was the mouthpiece underscores the severity of the message," one diplomat said.

Mr. Jiang was Communist Party leader in Shanghai at the time of the Tiananmen Square massacre and emerged relatively unscathed in the aftermath, which makes his endorsement of the military suppression all the more significant, according to some analysts here.

Mr. Jiang said history showed that the Communist leadership had no choice on June 3-4, 1989, but to crush the demonstrators, who were advocating political liberties and

an end to corruption. The demonstrations had paralyzed the capital and spread to many parts of the country.

Unknown hundreds, and perhaps thousands, of demonstrators were killed in the dusk-to-dawn military assault in which members of the People's Liberation Army shot their way through the city into Tiananmen Square, where hundreds of thousands of Chinese students, workers and intellectuals had been demonstrating for six weeks.

"History shows that anything conducive to our national stability is good," said Mr. Jiang, who rose to power after a purge of leaders who were seen as too sympathetic to the demonstrators.

His comments, carried prominently in the party paper People's Daily and other major newspapers, are likely to be repeated in coming weeks as China's people — and the world's press — reflect on the events five years ago.

"Without the resolute measures taken then, China would not have enjoyed today's stability," the Xinhua press agency quoted Mr. Jiang as saying.

"In the past five years, China has enjoyed economic development, social stability and improved livelihood of the people, thanks to our consistent efforts to take stability as an overriding priority," he said.

"Facts prove this is absolutely correct," Mr. Jiang said.

(Reuters, AFP)

CHINA: Tougher Curb on Activists

Continued from Page 1

gious groups, members of ethnic groups who call for independence, and political dissidents. They add 18 new offenses to reflect "newly emerging public security problems in the country," according to the Xinhua press agency. The provisions were initiated by the Ministry of Public Security.

Officials declined to provide a full text of the offenses. But according to official reports, these are among them:

• Carrying out activities under the name of social organization without registration.

• Organizing activities of superstitious sects and secret societies to disrupt public order.

• Disturbing public order and damaging people's health through religious activities.

• Stirring up conflicts between nationalities, hurting their unity and inciting separation of nationalities.

• Fabricating or distorting facts, spreading rumors or otherwise disrupting public order, or doing harm to the public interest through other means.

One offense in particular — "disobeying supervisory provisions while individuals are under surveillance, deprived of political rights, or on probation or parole" — seems aimed at former political prisoners. These individuals are usually subjected to numerous restrictions after their release.

Mr. Wei, for example, has been accused of violating the conditions of his parole. After nearly 14 years in jail, he was released last September days before the International

Continued from Page 1

Hans-Dietrich Genscher once put it, "The Atlantic doesn't get wider."

Assuming that the schedule remains intact, the farewell festivities in Berlin will step up as the weather warms. In mid-June, the three Western Allies will march together for the last time, and in mid-July President Bill Clinton will help close down the Berlin Brigade, formed to protect the city when the Berlin Wall went up in 1961. A farewell for Russian troops — to be attended by President Boris N. Yeltsin and Chancellor Helmut Kohl — will take place Aug. 31.

Already, U.S. troop strength here has dwindled to 2,000, compared with 7,000 in 1990, and most of them will be gone by the time the Sept. 3 ceremonies take place.

The U.S. Army is now busy vacating barracks, deconsecrating chapels and shutting down schools. The American quarter here, which will revert to the German government, is beginning to look a bit like a ghost town.

Now 63, Mrs. Ritter belongs to a generation for whom the American occupation meant deliverance.

With nostalgia she recalls the benchmarks of survival: the post-war CARE packages from America, crammed with powdered milk, corned beef and chewing gum; her mother's earning dollars by washing and ironing GI fatigues; the Berlin Airlift in 1948-49; and tons of candy dropped on little parachutes by U.S. pilots banking into Tempelhof Airfield; the defiant "Ich bin ein Berliner" speech by President John F. Kennedy when he visited Berlin after the wall was built.

Then, the weddings. In 1969, her eldest daughter, Eva, married Jerry Wolfe, a U.S. Air Force enlisted

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"American firms sometimes are willing to do it," he said, "but Japanese firms often do not. They are usually more conservative. They just want to occupy market share, not transfer technology. And if they do, it is not new, high technology."

On the other hand, Japanese companies are more competitive than the Americans," Mr. Ye said. "They specifically design products for the Chinese market — basic but cheap."

But while price is still a key consideration here, China is now demanding more.

"Chinese companies now have higher expectations," said Zhou Chongxin, business development head of Xuzhou Construction Machinery Group Co., which has invested more than \$300 million in modernizing its manufacturing and product lines.

Last year, Xuzhou Machinery exports hit \$31 million, a 72 percent increase over 1992, which Mr. Zhou largely attributed to its technical cooperation with Liebherr of Germany and Tadano of Japan.

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Eiji Ganic, a member of the

DRUGS: Problem on Wall Street

Continued from Page 1

firms. "Even before Mr. Kudlow and Mr. Lazarus, there was growing concern among some Wall Street executives about the use of drugs among employees. Some firms started employee assistance programs, making treatment available confidentially."

But other firms did not start such programs because they were convinced they did not have a problem, doctors and others say.

"Clearly, denial is the order of the day," said Jack Lamm, former Drug Enforcement Administration administrator who is now chief of operations for the New York Yankees and has consulted on drug-abuse issues with investment firms.

The subject is so sensitive that few leading firms were willing to discuss their programs even in general terms, and most refused to comment or be identified for this article.

Continued from Page 1

Bosnian presidency, said the U.S. vote to end the embargo would help get the Serbs back to the table.

Bosnia's prime minister, Haris Silajdzic, said he was cautious about resuming negotiations.

"The problem is that we've been through negotiations before, and each was accompanied by aggression and attacks from the Serb side to create pressure," Mr. Silajdzic said. "We want to know what are the guarantees we won't be attacked — not assurances, firm guarantees."

(Reuters, AP, AFP)

BOSNIA: West and Russia Call for a 4-Month Truce

Continued from Page 1

showed little inclination to revive peace talks and said they would take part only if there was a Bosnia-wide truce first. The Bosnian government fears a truce would freeze current front lines, giving Serbs most of the country.

The presence of the American and Russian delegations here renewed hopes that movement could be forced on the combatants.

The U.S. Senate voted, 50 to 49, on Thursday to lift the arms embargo against Bosnia unilaterally to

help the out-gunned Muslim-led government. In a contradictory step, however, the Senate also voted, 50 to 49, to require President Bill Clinton to seek UN and North Atlantic Treaty Organization support before lifting the arms sanctions.

Russian legislators responded angrily Friday by deciding to lift the arms embargo against Serbia if the United States or any other country begins supplying arms to Bosnian Muslims. Russia and Serbia are traditional allies.

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Mixed News for Europe

The crispest summary of Europe's parliamentary election is that, with a single exception, this was a vote not about Europe but about 12 separate countries. It will send no tingle down the spines of those who seek a Europe prepared to act as one. Turnout, at around 56 percent, was slightly lower than in the previous election in 1989. And those who did vote overwhelmingly wanted to say things about their national politics, not about the politics of Europe as a whole.

What they said was bad news for John Major's Conservatives in Britain and Felipe González's Socialists in Spain. Just as predictably, Silvio Berlusconi's new Italian government was given the Euro-vote previously occupied by the scandal-smashed Christian Democrats.

The vote confirmed the German opinion poll's earlier good news for Helmut Kohl whose steadfastness under fire in economic hard times now gives his Christian Democrats a chance of holding off the Social Democrats in Germany's own election in October. By the all-Europe test, this was parish-pump voting. The exception was in France, where the party led by Philippe de Villiers won a startling 13 seats. These people go to the European Parliament to resist the centralizing power of the Maastricht treaty. They did far better than the German anti-centralizers led by Manfred Brunner. In that contrast lies a potential test for the European Union.

The new Parliament's Christian Democratic contingent is bigger than expected, mainly

because Chancellor Kohl did so well in Germany. The Christian Democrats want a federal Europe, and will hope to point the Union's governments in that direction when they meet to talk about the Union's future in 1996. But no great change in Europe can happen without the joint consent of France and Germany. And it will be harder for any French government to agree to new centralizing moves now that the French doubters have won a foothold in the European Parliament. This road forward looks even stonier than before.

There is, however, another road that suddenly has a clearer view ahead. The most important Euro-vote of the past week was in none of the Union's 12 countries. It was in Austria, whose people on Sunday said with a clear voice that they wished to join the Union.

The Austrian vote makes it likelier that Sweden, Finland and Norway will say the same when they hold their referendums later in the year. That will make it easier to argue for extending the Union deeper into Central Europe, to take in Poles and Czechs and Hungarians — maybe even Slovaks and Slovenes — as well. The widening of the Union will not be easy. It will mean battles about its farming policy, about the distribution of its regional aid, about the shape of its future constitution and about the purpose of the entire enterprise. But a wider Union is the one thing that most Europeans clearly seem to want by the millennium's end.

INTERNATIONAL HERALD TRIBUNE

Change in Mexico

Mexico's political life is moving far from its accustomed track. The presidential election is on Aug. 21, and the long-dominant Institutional Revolutionary Party, the PRI, is heavily favored to win. But for the first time since 1939 this is not an absolute certainty. And that is not the only evidence of fundamental change in Mexicans' attitudes about the generally benign but highly authoritarian one-party system that has been running their country.

The PRI's candidate, Ernesto Zedillo, is a highly skilled technocrat, but he lacks the political experience of his assassinated predecessor, Luis Donaldo Colosio. Now that the party is under unusual pressure, one question is whether Mr. Zedillo will allow himself to be pushed into compromises with the party's old-line bosses, who are by no means ready to share power and patronage with other parties. At the top of the PRI there is a real desire to open up and clean up the electoral system, but there has always been a strong temptation to resort one more time to the old tradition of vote-rigging.

Until recently it had seemed that the major challenge to the PRI would inevitably come from the left. But the left has been fading in the polls, and the real opposition is now on the right — the National Action Party and its candidate, Diego Fernández de Cevallos. One

— THE WASHINGTON POST.

Moynihan to Clinton

Of the five congressional committees handling health care reform, Senate Finance may well be the one with the best chance of putting together a bill with enough Republican support to carry the full Senate. Its makeup of 11 Democrats and nine Republicans encourages bipartisan bargaining. That is why the odd bill proposed last week by its chairman, Senator Daniel Patrick Moynihan, is important.

Viewed as a health care plan, the bill disappoints. It borrows in modified form the president's idea of requiring employers to pay for workers' insurance. But it would allow individuals to use outside regional purchasing cooperatives that invites healthy to peel away and leave the chronically ill. And Mr. Moynihan shrinks back from proposing a limit on the tax deductibility of premiums — the best way to get consumers, and therefore health plans, to pay attention to costs; he thereby proposes a market-based system with no effective market incentives. In a word, odd.

But Mr. Moynihan was playing politics, not health economics. And his touch appears deft. He offered a bill that, despite differences, borrows heavily from the Clinton plan because he knew it would fail — proving once and for all that the president's plan can win and that horse trading is essential.

The Moynihan bill will not attract moderate Republicans, like John Chafee of Rhode Island and John Danforth of Missouri, or conservative Democrats, like David Boren of Oklahoma, because they are not ready to accept a strict employer mandate. After the plan fails in committee, Mr. Moynihan knows that the key players will have to make a fateful decision: either compromise or walk into November elections with no reform in hand.

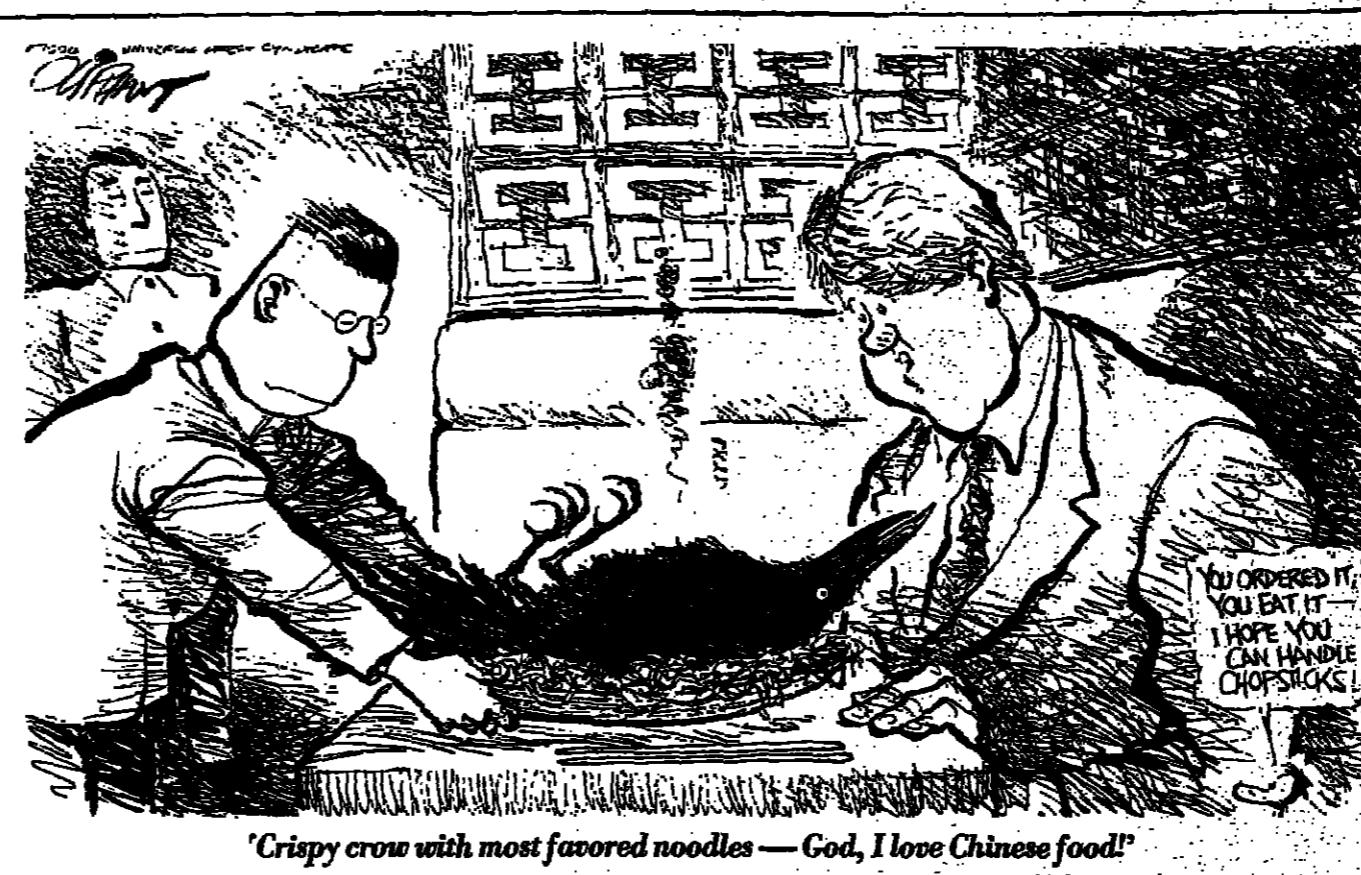
The disturbing outcome of last week's going on is that "no bill" seems an increasingly popular option. Republicans like Representative Newt Gingrich of Georgia and Senator Phil Gramm of Texas are gearing up to go before voters and take credit for saving them from, in their view, President Clinton's version of socialized medicine; and the right-wing tug seems to be driving the powerful Senate minority leader, Bob Dole, away from compromise, perhaps afraid that his colleagues will slice him up if he makes a deal with the White House.

Other Comment

Russian Sacrifice for D-Day

I thought the Normandy campaigners came off well last week, but my own thoughts dwell heavily on the people of Russia. Between Hitler's ill-fated invasion of the Soviet Union in 1941 and D-Day, our Russian allies lost some 5.3 million combatants, 49,000 tanks and 30,000 airplanes. Yet they were still holding down about 200 German divisions on the eastern front. — W. F. Deedes, commenting in *The Daily Telegraph* (London).

— THE NEW YORK TIMES.



A Serious Setback for Human Rights Diplomacy

By David C. Unger

NEW YORK — Bill Clinton was seeking to solve a political problem when he snapped the link between China's human rights practices and its American trading privileges. Yet by rewarding rather than punishing China's rejection of reasonable American human rights demands, President Clinton damaged the credibility of American human rights diplomacy everywhere. That is no small loss.

Two decades of intermittent and occasionally successful U.S. human rights pressure on behalf of, among others, East European dissidents, South African blacks and victims of Latin American juntas made a difference to thousands of individual lives and made it easier for democrats in those societies to fight for political change.

The unhappy consequences may not be confined to citizens in dictatorships. Values can unite and inspire Americans in ways that brutal realpolitik or money just cannot. Campaigns against arbitrary imprisonment, torture and forced labor and in defense of free expression broaden the appeal of American foreign policy, drawing ordinary citizens into world affairs.

Even after a heavy business lobbying campaign, polls showed strong popular support for using trade leverage to expand human rights. But the rhetoric of mega-profits and jobs in the hot China market eroded Washington support for trade sanctions. Mr. Clinton then shoved aside what had been a unifying expression of American suspicion and conspiracy theories.

In the past a Mexican presidential election

consequence is that the North American Free Trade Agreement with the United States and Canada is not turning into much of an issue. Most voters seem more interested in which of these two parties can best lead the country through rapid change and growth driven by the foreign competition to which the Mexican economy is now exposed.

The PRI has been damaged by its mishandling of the response to the Colosio assassination. In Mexico, President Carlos Salinas de Gortari set up an investigative commission that has now resigned in a body, charging that the government never gave it the authority it needed for a genuinely independent inquiry. The president also appointed a special prosecutor, who first declared that the killing involved a conspiracy, then some weeks later acknowledged that there was no evidence that it was anything but the work of a lone gunman. The effect has been to generate clouds of suspicion and conspiracy theories.

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was launched nearly two decades ago by the moral idealism Jimmy Carter. Although directed at different targets, the diplomacy was enthusiastically pursued by his anti-Communist successor, Ronald Reagan, before being shelved by the *Reapoli-*

tizer George Bush. President Bush was not interested in using American leverage for human rights. But human rights sanctions remained a credible tool for use by a future president.

China, for example, had to think about the possibility of a tougher stand by Mr. Bush's Democratic successor. By deploying human rights pressure and then retreating at the first sign of resistance, President Clinton has sacrificed that credibility, perhaps for years to come.

American foreign policy cannot pivot exclusively, or even mainly, around human rights. Hard-headed issues of military security and economic interest are compelling and must form the centerpiece of any sensible approach. Yet to deserve and win the support of the American people, a foreign policy must also reflect and advance American values.

From the days of the Monroe Doctrine, first formulated as a policy of keeping the Americas free from Old World imperialism, to the outlasting of the Cold War, successful American foreign policies have always contained a strong idealistic component. With the Evil Empire rolled back and the United States physically secure, that idealism requires a new and constructive focus if America is to remain internationally engaged.

It is a shame, in more ways than one, that Mr. Clinton caved in so easily on human rights.

The New York Times

Back to 'Reform,' 50 Years After Bretton Woods

By Hobart Rowen

WASHINGTON — This year brings the 50th anniversary of the international conference at Bretton Woods, New Hampshire, in July 1944 that established new rules for the global monetary system. The Bretton Woods agreement created the World Bank and the International Monetary Fund, and set out the system governing major nations' exchange rates. Dollars with a precise value in gold, were at the center of the system.

The Bretton Woods agreement underway for a period of global prosperity from 1944 through the mid-1960s by maintaining fixed exchange relationships among the major currencies. Then inflationary cracks began to appear in the system.

In 1971, after a celebrated meeting at Camp David, President Richard Nixon broke the link between the dollar and gold, creating a system of floating exchange rates. Since then governments have tried to "manage" the float, or to keep exchange rates within acceptable ranges. But success was elusive.

Now, in the post-Cold War era, there is increasing talk of "reform" of the monetary system aimed at restoring, at least in part, the fixed-rate concept that began in 1944.

A commission headed by Paul Volcker, the former Federal Reserve Board chairman, will issue a report this summer suggesting adoption of formal "target zones" for exchange

rates, long advocated by the Institute for International Economics led by C. Fred Bergsten. Mr. Bergsten would limit fluctuations of the dollar against the yen, the Deutsche mark and so on to a "zone" plus or minus 10 percent of an agreed-upon figure.

Unexpectedly, IMF Managing Director Michel Camdessus said in a speech last week to the Bergsten group that a move toward target zones would allow for a more stable and predictable economy. But in Spain on May 9 he conceded that he had not dealt with "the more fundamental question of the central anchor of a stable world system."

In the Bergsten scenario, the IMF, rather than the Group of Seven, would have responsibility for managing exchange rates. Without that function, Mr. Bergsten warns, there is little excuse to continue the IMF as a separate agency; it could be merged, instead, with the World Bank. In the fall, at the annual IMF/World Bank meeting in Madrid, all the banks will be discussed.

What would look most important, especially to business people, is any way to reduce the volatility of exchange rate fluctuations. Many of the recent high-profile hedge and derivative fund operations were triggered by a private effort to create insurance against wild swings in exchange rates.

Clinton administration officials are skittish about endorsing precise target zones. Lawrence Summers, Treasury undersecretary for monetary affairs, doubts that governments can get the rates "right." If the markets challenge the rates, Mr. Summers disputes the notion that they can be defended merely by central bank intervention in the foreign exchange markets.

Mr. Summers fears that it would also take manipulation of interest rates. And that might run contrary to an administration's domestic agenda. No American president would be happy if he were forced to put the nation through a domestic recession to defend the dollar's international exchange rate.

Treasury Secretary Lloyd Bentsen continues to look on the Group of Seven as the vehicle for international cooperation, Mr. Summers said. He does not plan to transfer exchange rate management to the IMF. The role Mr. Summers sees for the IMF of the future is less involvement with the industrial nations' exchange rate problems, and more with the developmental needs of the Third World.

The Clinton vision of international monetary reform, as outlined by Mr. Summers, is aimed at "widening" the process rather than "deepening" it. The buzzword is "shared prosperity" in the post-Cold War era.

It is less a replication of Bretton Woods than a focus on micro issues (such as jobs, as discussed at the recent conference in Detroit) and on inclusion of other countries in the dialogue, in the pattern of the North American Free Trade Agreement. Next on line: extension of NAFTA-like privileges to 24 Caribbean nations at a Miami conference at the end of this year.

The Washington Post

In Taiwan, a Bubble Threat With a Silver Lining

By Philip Bowring

TAIPEI — Japan's bubble and its aftermath are well known. Hong Kong is in the throes of one, with the familiar merry-go-round of cheap credit feeding property and stock booms. Taiwan, despite being sheltered by controls on inflow from last year's liquidity boom, is showing similar signs.

Didn't Taiwan have its bubble in 1990, when the stock index went from 4,000 to 12,000 and back to 4,000? True. But that bubble was created by liquidity in an economy that for several years ran a trade surplus of more than 10 percent of GNP, where bank loans to depositors were only 60 percent and domestic credit was only half of GNP.

The boom and bust had little economic impact other than to redistribute ownership and wealth and make the Taipei stock exchange into one of the world's busiest: even in 1993, its turnover averaged more than \$1 billion a day, nearly double that of Hong Kong. The current Taiwan bubble is different.

The pace of adjustment to a strong currency and high wages has exceeded expectations. Domestic demand has boomed, while U.S.-enforced appreciation of the currency and double digit wage rises have led many industries to move to cheap-labor locations in Southeast Asia and China. The ending of travel restrictions has made Taiwan into one of the world's most expensive tourist destinations, spending a colossal \$7.5 billion last year.

The net result of all this is that the trade surplus is down to around 2 percent of GNP and the current account is only in the black because of earnings on its \$85 billion foreign reserves. Meanwhile, \$5 to \$10 billion a year in capital is moving out.

But it is easier said than done, as former Treasury Secretary James Baker discovered when he tried to set up a system in between fixed and flexible rates at the famed Plaza Hotel conference in New York in 1985, again in Tokyo in 1986, and then at the Louvre in 1987.

Trade imbalances remain politically troublesome after these exchange rate experiments. The experts are back at the drawing boards, seeking that elusive formula for currencies that will create just enough stability, but not rigidity, and just enough flexibility, but not huge gyrations.

The significance of Mr. Camdessus' endorsement of reforms to reduce the volatility of exchange rates is his implied blessing of the present rates as close to the right ones. Japanese officials, who have seen the markets boost the yen close to 100 to the dollar (it was 360 to the dollar at the end of World War II), will not be happy if he were forced to put the nation through a domestic recession to defend the dollar's international exchange rate.

Clinton administration officials are skittish about endorsing precise target zones. Lawrence Summers, Treasury undersecretary for monetary affairs, doubts that governments can get the rates "right." If the markets challenge the rates, Mr. Summers disputes the notion that they can be defended merely by central bank intervention in the foreign exchange markets.

The bank's still all have majority state ownership, so there would be no question of collapse. With inflation under 4 percent, an increase in inflation to provide a soft landing is tolerable. As for the economy as a whole, its export orientation and weakened currency provide alternatives not available in Japan, where a rising yen added to the deflationary impact of the bursting of the bubble.

If private investment stumps, the government could speed up its own, recently curtailed infrastructure investment. For now, the faster money growth being engineered by Taiwan's central bank has brought stock prices back above the 6,000 mark from 4,000 a year ago. But critics suggest that this is merely helping to push cash-strapped developers and banks with poor asset quality into shallower water further from the shore.

For once, foreign investors may not have been hooked. Foreign institutional money, moving in as fast as a reluctant central bank will allow, goes mostly into manufacturing stocks, especially electronics, plastic and textiles. Financial and construction sectors are being avoided. But Taiwan is sufficiently small and enough manu-

facturers have dabbled in property development that a bad accident in that sector would have wider ramifications.

The silver lining is that the situation will induce the authorities to speed up liberalization and market-oriented reforms to develop Taiwan as a regional service as well as manufacturing center. The foreigner may not be able to buy those empty apartments, but refugees from Hong Kong's even more absurd real estate prices and uncertain political future could fill some of those empty office blocks.

International Herald Tribune

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Korean Crisis

PARIS — Africa is not the only continent which causes anxiety to the Powers of Europe. Asia is contributing its share, for the latest news received from Corea is anything but satisfactory. A fresh rising has taken place in the country, but it is not yet known whether or not it is specially directed against foreigners. Should this prove to be the case, not only Japan and China, but Russia as well, will interfere. Another Eastern question would then be raised: an event which would be most undesirable.

International Herald Tribune

1944: Germans Hit Back

WITH THE AMERICAN 4TH DIVISION NEAR MONTEBOURG

[From our New York edition.] The Germans fought their way back into Montebourg and Carentan this morning [June 13], and the infantrymen of the old 4th Division, which helped write history in France in the last war, are battling them in the streets. It is man to man at Montebourg, with deadly fighting from house to house. So closely are the sweating, unshaven men locked in the artillery has ceased fire. The planes are flying low overhead, under heavy clouds and a drizzling rain; but all they can do is look for German armored reinforcements on the death-strewn roads outside town.

International Herald Tribune

1919: Cost of Paris Life

PARIS — Prospects of destruction in

Resolved, No Bomb For Kim

By Anthony Lewis

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Washington show puts his frenzied art into balance.

The Essence Of de Kooning

By Paul Richard
Washington Post Service

WASHINGTON — De Kooning at his best is the stormiest of masters. His brush strokes hook and sweep. His figures fly to pieces — a breast becomes a rolling eye, shoulders a horizon. There's always been a rolling turbulence about him. Nothing in his art moves in one way only. Figurative, abstract, avant-garde yet old-fashioned, it owes as much to jazz and the crackle of Manhattan as it does to his countrymen Vincent van Gogh and Frans Hals. De Kooning has just turned 90. Holland-born and trained, that giant of the New York School is the United States' Dutch Master. No living painter has done more to loosen and extend the easel painter's art.

"Willem de Kooning: Paintings," which opened this week at the National Gallery of Art, does something unexpected: It allows the artist's frenzied pictures free rein, yet puts them into balance. This show hurls itself upon you like some curling, crashing wave — yet even as it does so it makes de Kooning's oceanic art absolutely clear.

It's not a vast exhibit. With 76 pictures, it's about a third the size of the de Kooning retrospective 10 years ago at the Whitney in New York, but it's nowhere near as scattered. Nor is it as mixed as the Hirshhorn's recent survey, that record of a friendship between painter and collector that opened last October just across the Mall.

This show aims for grandeur. Its curators sought the painter's finest works, and for the most part got them. Rightly they excluded his big gaudy bronzes, his half-caricature sketches, and the scribbles he produced (with his left hand) while staring at the TV. Like most improvising chance-takers, de Kooning often missed. He seldom does so here.

This show scans his long career, or at least its high points, and locks them into order with such crispness and finality you can almost hear the click. It opens with his portraits from the last years of the '30s, those greenish haunted studio scenes so indebted to Picasso and to his friend John Graham. It closes — or, more accurately, sort of fades away — with his airy and untroubled whitish open canvases of 1986.

"Willem de Kooning: Paintings" will travel to New York's Metropolitan Museum of Art and then to the Tate in London after it closes here Sept. 5.

CERTAIN TRUMPETS:
The Call of Leaders.
By Garry Wills. Illustrated. 336
pages. \$23. Simon & Schuster.
Reviewed by
Michiko Kakutani

AFTER the brilliant and original scholarship of Garry Wills's last book "Lincoln at Gettysburg" (1992), his latest offering comes as something of an unhappy surprise.

In "Certain Trumpets: The Call of Leaders," Wills has taken a leadership and overly generic subject — leadership, and what makes a good leader — and given it a highly perfunctory treatment.

The result is a volume that feels less like a real book than a treatment for an inspirational television series aimed at high school students.

And just whom does Wills consider a leader? To begin with, he rejects the famous definition offered by James MacGregor Burns, who wrote, "Leadership over other human beings is exercised when persons with certain motives and purposes mobilize, in competition or conflict with others, institutional, political, psychological and other resources so as to arouse, engage and satisfy the motives of followers."

Whereas Burns's definition covers many sorts of influence on others, Wills believes a "leader" does not just vaguely affect others. "He or she takes others toward the object of their joint quest," he writes. "That object defines the kind of leadership at issue. Different types of leaders should be distinguished more by their goals than by the personality of the leader (the most common practice)."

Leadership of one sort, he adds, does not necessarily translate into

other areas: "Gen. Grant proved that a great military commander is not necessarily, by reason of his martial success, a good political leader in an electoral democracy — as Lyndon Johnson proved that a superb Senate leader can make a poor president."

Having laid out these observations in a brief introduction, Wills proceeds to offer the reader 16 categories of leadership (electoral, radical, reform, diplomatic, military, charismatic, business, traditional, constitutional, intellectual, church, sports, artistic, rhetorical, opportunistic and saucy), along with 16 examples of each type and 16 "antitypes" (that is, individuals who exemplify the same characteristics by contrast).

Franklin Roosevelt, for example, is his choice as electoral leader, while Adlai Stevenson is his choice as electoral leader. Ross Perot is his choice as business leader, while Roger Smith, the former chief executive officer of General Motors, is his choice as business antitype.

In the first place, this fussy methodology results in some highly arbitrary choices. Why is Socrates, for instance, held up as a paradigm of the intellectual leader instead of, say, Voltaire or Martin Luther?

Why is King David designated as Wills's exemplar of charismatic leadership, instead of, say, Mao or Hitler?

To make matters worse, this methodology also makes for short, disjointed chapters that quickly devolve into little more than cameo

portraits, portraits that are too cursory to give the reader a real sense of the subject's achievements.

In these pages, there are a few broad generalizations about the relationships between leaders and their followers, and some predictable observations about charm, vision and the willingness to compromise.

Many of Wills's chapters simply point out the obvious: that the "singleness of purpose" possessed by radical leaders can release them "from responsibility to many competing interests" and from "the

BOOKS

general immobility induced by 'balanced' leaders," that "keeping as many channels open as possible is the diplomatic imperative;" that "an artist can be successful, important and influential without being a leader."

Given Wills's generous gifts as a writer, his portraits of individual leaders are consistently entertaining even if they are superficial and heavily based on secondary sources.

Michiko Kakutani is on the staff of *The New York Times*.

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MARKET DIARY

Blue Chips Gain
In Mixed Market

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stocks ended the day with a modest gain as caution overcame a sharper rally linked to rising bonds. The overall market was mixed.

The Dow Jones industrial average rose 6.84, to close at 1,659.68, but

with the yield sliding to 7.49 percent from its Thursday close of 7.56 percent.

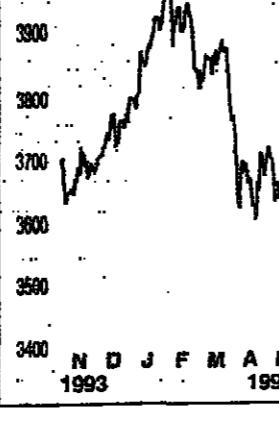
Citicorp was the most-active New York Stock Exchange issue and ended the day at 305, up 4. Its chairman sold 25 percent of his holdings in the bank.

EMC Corp. followed, falling 1/4 to 15%. The company was one of the computer networking concerns that fell with Cisco, which fell 5% to 234. Cisco told analysts its order backlog has declined and that revenue from one quarter to the next may grow at about 8 percent rather than the historic 12 percent to 15 percent.

Philip Morris was No. 3 on the New York Stock Exchange, gaining 1/4 to close at 524. Speculation is that the tobacco and food company may agree at a May 25 board meeting to separate its businesses, which could boost the company's value to about \$70 a share, analysts said. "I'm rooting for a split-up of the company," said Rebecca Barfield, an analyst at CS First Boston Corp.

Microsoft's stock was added to the Standard & Poor's 500 Index Friday, meaning that investment funds which pick stocks based on the makeup of the index will buy the shares. The stock touched an all-time high of 984, before falling back to close at 964, up 2.

Time Warner gained 1/4 to 383 on a published report that it would be a takeover target of QVC. (Bloomberg, Knight-Ridder)

The Dow
Daily closings of the Dow-Jones industrial average4000
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Dow Jones Averages

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India Opens Phone Business To Private Firms

Compiled by Our Staff From Dispatches

NEW DELHI — India announced Friday that it would allow private companies domestic and foreign to operate telephone services in the country.

The move is aimed at meeting an \$8 billion shortfall in the estimated \$14 billion needed to modernize India's antiquated telephone system and at providing a phone on demand to Indian citizens by 1997.

The draft policy, placed in parliament by Telecommunications Minister Suhk Ram, said that state control on basic telephone services was being eased, and that private companies would now be permitted to operate their own networks in urban as well as rural areas.

"With a view to supplement the effort of the Department of Telecommunications in providing telecommunication services to the people, companies registered in India will be allowed to participate in the expansion of the telecommunication network in the area of basic telephone services," the policy said.

Observers say that ordinary citizens in India with no political influence or money to pay bribes, now have to wait up to five years for a connection, which may not even work when they get it. An estimated three million people are on the waiting list for telephones, and the list is growing by nearly 20 percent every year. But the list, say analysts, is expected to vanish when foreign companies bring private phone services.

U.S. West Inc. and Motorola Inc. have already applied to the Indian government to run telephone services in some parts of the country. Others, analysts say, are eagerly waiting to enter the huge Indian

market of nearly 900 million people. Mr. Ram told parliament Friday that the policy also was aimed at bringing to India all sophisticated phone services available in advanced countries. Hardware manufacture and extra services such as radio paging and mobile cellular phone systems are also part of the plan.

The policy document, whose theme is "telecommunications for all," was released on the eve of Prime Minister P.V. Narasimha Rao's departure for a visit to the United States. Mr. Rao is expected to meet with American telecommunications executives.

The policy document said that India's telephone distribution average per 100 persons is 0.8, compared with 1.7 in China, 2 in Pakistan and 13 in Malaysia. Tens of thousands of villages have no phone connections at all.

The document said the policy's aim was to ensure that all of the more than 500,000 villages in India had a phone connection.

(AP, Bloomberg, Reuters)

■ China Targets Year 2000

China hopes to develop one of the world's three biggest telecommunications systems by the end of the century, the official news agency Xinhua said on Friday. Reuters reported from Beijing.

China aims to finish its new telecommunications network by 2000, in a revamp costing 360 billion yuan (\$41.4 billion), Xinhua quoted Communications Minister Wu Jichuan as saying. Mr. Wu said the government's five-year plan for telecom development had already been drafted, and involved knitting together main optical-fibre cables with a network of mobile-phone systems.

Exxon Returns to India After 18-Year Absence

Bloomberg Business News

BOMBAY — Exxon Corp. said Friday it was returning to India after an 18-year absence.

Exxon signed a memorandum of understanding to give Hindustan Petroleum Corp. the right to blend and market lubricants and petroleum products under the Esso brand name in India.

The agreement, signed Thursday in Bombay, marks the first time Exxon has sold branded oil products in India since the government there bought the company's assets in 1976.

"This agreement represents a significant advance in our strategy for re-establishing our presence in the rapidly growing Indian markets," said Kwa Ching Seng, chairman and managing director of Esso Singapore Pte.

Exxon is the latest foreign oil company to aim for the Indian lubricants market. So far, Caltex Petroleum Corp. and Mobil Corp. of the United States and the British-Dutch Royal Dutch/Shell Group have teamed up with smaller Indian companies to blend and sell lubricants.

The agreement, signed Thursday in Bombay, marks the first time Exxon has sold branded oil products in India since the government there bought the company's assets in 1976.

Disney Woos Japanese Samurai-Bond Issue Targets Individuals

Bloomberg Business News

TOKYO — Walt Disney Co. is betting that Mickey Mouse mania and historically low interest rates in Japan will prompt individual investors here to snap up a major corporate bond offering next month.

The U.S. entertainment giant is working on plans to sell about 30 billion yen (\$288 million) worth of samurai bonds — issues denominated in yen and sold by foreign entities in Japan — to individual investors, said executives at Nikko Securities Co., financial adviser and lead underwriter for Disney.

The bonds will have a maturity of less than five years to offer individuals an alternative to putting their money in bank savings deposits and investment trusts, the Japanese equivalent of mutual funds, said Yoshinori Rikutawa, international finance manager at Nikko.

Disney is one of a growing number of companies, Japanese and foreign, trying to raise money among individual investors in Japan.

"Japanese individuals own more than 1,000 trillion yen in financial assets," Mr. Rikutawa said. "The problem is most of this is in savings accounts that pay individuals very little. That's why it makes sense for corporations to sell bonds directly to individuals, to offer them higher interest rates than what they get at banks."

Disney enjoys tremendous brand-name recognition among the Japanese, who are among the world's most devoted fans. About 16 million visitors swam through the portes of Tokyo Disneyland in the business year ended March 31, up from about 10 million when the park first opened a decade ago.

While Disney does not own Tokyo Disneyland, it does receive considerable royalties from the park-owner and operator, Oriental Land, an unlisted company mostly owned by the developer Mitsui Fudosan Co. and the commuter line Keisei Electric Railway Co.

Disney's timing is fortunate because interest rates in Japan are at historic lows. That has driven savings deposit interest rates to below 2 percent in most cases. Stocks do not offer much of an alternative for the individual investor. While the Nikkei 225 Index is up 16 percent for year, Tokyo's political gridlock, the soaring yen and uncertain economic outlook, make Japanese equities risky.

To be sure, investors certainly have reason to be skeptical of the bond offering, for all is not peachy in Disneyland. The company took a \$350 million charge in its fourth quarter as a reserve against its exposure to the Euro Disney park in France, now

undergoing a financial overhaul, and analysts say another \$50 million in write-offs is not out of the question.

Still, Disney's steady cash flow from its home video business, bolstered by such classics offerings as "The Jungle Book" and "Bambi," as well as the

The company is counting on Mickey mania and historically low rates.

consumer-products division, helped propel its second-quarter profit up 16 percent, to \$245.5 million, in the quarter ended March 31. Revenue rose 12 percent, to \$2.28 million from \$2.03 million.

At least in Japan, credibility will not be much of a problem, either. Walt Disney has an AA-minus credit rating from Standard & Poor's Corp., and an A1, rating from Moody's Investors Service Inc. Those are not top gradings, but "both of those ratings are higher than those of Japanese banks when most individuals keep their savings," Mr. Rikutawa said.

If Disney can pull off a successful sale among individual investors, it could save itself a pile of money. Institutional investors would demand a far higher return, because they would value the Disney bonds like a corporate loan. The long-term prime rate in Japan for five-year corporate loans currently is 4.4 percent.

"A company like Disney can sell bonds at a lower cost," Mr. Rikutawa said, "because it's eliminating banks and institutional investors that take a cut for serving as intermediaries between individual savers and corporate borrower."

Disney is not the only company hoping to tap the deep pockets of Japan's individual investors, whose collective financial assets are about 10 times Japan's 73 trillion yen in assets managed by Japan's 27 life insurance companies. The trend started on April 15, when Sweden made the decision to sell to Japanese individuals 20 billion yen in two-and-a-half-year bonds that pay 3.25 percent interest, with Nikko as lead underwriter.

That was followed by an offering from the electric cable maker Furukawa Electric Co., which sold 20 billion yen in three-year bonds with a coupon rate of 3.3 percent to individuals.

Malaysia Is Battling Inflation

Agence France-Presse

KUALA LUMPUR — After seven boom years, Malaysia is fighting inflationary pressures exacerbated by rising spending and printing, analysts said Friday.

A national campaign to fight inflation is to be launched by Prime Minister Mahathir bin Mohamad on Thursday. It aims to curb excessive price increases and get Malaysian consumers to spend less.

The inflation rate of 3.6 percent last year was considered relatively low, given the country's 8.5 percent economic growth, but analysts said that soaring wages, ample liquidity and arbitrary price increases are putting pressure on prices. Many economists predicted inflation would rise to a 4.2 percent rate this year and 4.5 percent in 1995.

"There is a psychological trend among our traders that prices of goods must go up every few months regardless of whether there is a genuine rise in inflation," said Ramon Navaratnam, the chief executive of Bank Bumih.

The inflationary trend was reflected by the overall 7.4 percent increase in prices of noncontrolled foodstuffs in the first quarter, compared with the corresponding period last year, Mr. Navaratnam said.

"These price increases are domestically generated and not import-inflated," he said.

A precursor of the main anti-inflation campaign was the classification on Wednesday of bread as a controlled item.

Analysts said the dynamic growth of the Malaysian economy over the last seven years, at an average rate of 8 percent a year, had led to an estimated 70 percent-to-100 percent surge in the income of the middle and upper classes.

The boom also brought an influx of foreign funds for capital and money-market investments.

Investor's Asia

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May 14-15, 1994
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THE
REPORT

FIRST COLUMN

Advice: It's
What You
Pay For

BEARING in mind that even the best-informed and most single-minded people frequently need good advice, the question has to be asked: What is it? What, for example, is the difference between comment and advice? Everyone thinks they can distinguish easily enough between them, but this sometimes proves to be surprisingly difficult.

The first test is semantic one. Advice recommends a course of action. Comment, tending toward statement as opposed to imperative, is much more neutral.

Financially, there is another useful test. Advice is that which is paid for, whether it is taken or not. The lawyer or accountant who offers advice which is not taken will happily send out the bill, and, quite rightly, sue if it is not paid. There are even those in the advising professions who are never happier than when their professional advice is not taken.

First, they still get to send the bill. Second, they can't be sued if the client, having followed his own instincts, finds himself in a mess.

Yet this test too has its exceptions. Unfortunately there is a brand of adviser who does not get paid if his advice is not taken. Imagine sitting opposite a private banker — the most august and respectable of advisers — who says at the end of a two-hour discussion that your finances are in excellent shape, that he couldn't honestly recommend a better home for your assets than the spread of deposit accounts, bonds, equity and derivative funds in which you have them now. The banker's advice is to go home and sleep soundly.

DON'T wait for this to happen in the real world. Because even at the top end of the "advice" market, what you're getting is a sales and counseling service. If you don't buy, the adviser doesn't eat.

Clearly, an accountancy-style fee system would be desirable. But the financial world works by selling products, and a fee system is at best a remote possibility. Meanwhile, when taking "advice," find out what the adviser is making on the deal. Now that's good advice.

M.B.

For Do-It-Yourself Investors, Find the Discount Broker for You

By Barbara Wall

KITCHEN table stock pickers have, for a variety of reasons, chosen to dispense with the services of portfolio managers in favor of independent action.

If you fancy pitting your wits against professional stock selectors you will still need to enlist the services of a stockbroker to execute buy and sell orders on your behalf. Boutique-style advisory firms will probably not be interested in your money if the transactions are for small amounts and dealing is infrequent. A popular alternative is an execution-only share trading service, as offered by the likes of Fidelity U.K., and Charles Schwab, another American investment-management company with offices in London.

An execution-only stockbroker carries out the trade and does the associated administrative work, but, technically, he does not give advice. Accounts in which one can execute not only equity trading, but also deal in unit trusts, mutual funds, and corporate and government bonds provide the most flexibility to investors who want a diversified portfolio.

Not all of the brokers surveyed offer such a wide investment choice, and many restrict deals to the U.S. and British markets. Schwab, for example, is only prepared to deal in U.S.-listed securities and U.S. mutual funds, while U.K.-based Sharelink restricts its trading to equity trading, though it does provide access to European markets. Fidelity offers a more comprehensive service, dealing in equities, unit trusts and mutual funds in more than 17 markets worldwide.

You may be tempted to opt for a service with low commission charges on sales and purchases, but this can be a false economy. The way a deal is carried out may also influence the overall transaction costs. As most of Europe's largest stocks are listed on all the principle exchanges, the broker has the choice of buying at the center of greatest liquidity — often the company's home base, or buying shares listed on his local exchange. It is not always easy to tell if you are getting a good price.

Justin Urquhart Stewart, director of business planning for Barclayshare U.K., said: "The U.K. market trades more overseas stocks than any other European market, and the price is usually better than that quoted on the exchange in the company's home base."

Intermediaries

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International money transfer
Dealing on-line at home

Page 17

Mutifunds as a medium
Mid-market intermediaries
Low-cost private banking

If the broker is prepared to do some groundwork you may save money on the deal. Some companies have a wide spread in their share price. If the broker goes to the market makers in that company's shares he may be able to negotiate a better price than if he dealt at the trading screen spread price.

The charges levied by execution-only brokers are generally higher for foreign transactions. Sharelink charges a minimum supplement of \$108 for European deals, and Fidelity's commission rates for European transactions can work out to be twice as expensive as for British or American trades.

You may be better off approaching a broker in the target market. Mansion House in Hong Kong charges 0.25 percent of the value of transactions made in Hong Kong, or a minimum of \$38, substantially less than the rate offered by other discount houses for trades in Hong Kong.

Of course, setting up accounts with different brokers in a variety of countries may not be practical. Keeping track of all your investments is bound to prove time-consuming, and there may be other charges to take into account, such as custodial fees. If you are paying custodial fees to more than one broker, the overall costs will probably offset any savings made on the commission rates. There is a lot to be said for holding all your investments in one account.

While most execution-only brokers deal exclusively in equities there may be occasions when you require access to collective investment vehicles.

"Lately, there has been a lot of interest in European privatization issues," said Mr. Urquhart Stewart. "If you are based in the U.K., and you want to buy shares in a recently privatized French or Spanish company, the transaction costs can prove very expensive if you are dealing direct. For deals below \$7,500 investors would probably be better off opting for a unit trust or investment trust which specializes in these investments."

Trading at a Discount Execution-only share trading services in the U.K.

Company	Minimum commission	Minimum deal	Commission on \$5000	Commission on \$10,000	Commission on \$100,000	Commission on \$1,000,000	Customer service
Barclaysshare*	\$30 U.K. trades \$68 non-U.K. trades	no	\$87.50 U.K. trades \$87.50 non-U.K.	\$165 U.K. trades \$125 non-U.K.	\$335 U.K. trades \$225 non-U.K.	\$670 U.K. trades \$450 non-U.K.	yes (1)
Fidelity**	\$38	no	\$90 U.K. trades \$55.50 U.S. trades	\$105 U.K. trades \$75.50 U.S. trades	\$120 U.K. trades \$82.50 U.S. trades	\$140 U.K. trades \$100 U.S. trades	yes (2)
Charles Schwab (4)***	\$38	no	\$89 U.S. trades	\$110 U.S. trades	—	—	U.S.
Share centre	\$19	no	\$82.5 U.K. trades	\$85.50 U.K. trades	—	—	U.K.
Sharelink	\$30 U.K. trades \$38 non-U.K. trades	no	\$88 U.K. trades \$78 U.S. trades	\$102.50 U.S. trades	For EU trades, minimum supplement of \$105	—	U.S. EU
Mansion House (Hong Kong)	\$25	no	0.25% commission on Hong Kong trades 4% on non-Hong Kong trades	—	—	—	Hong Kong

Footnotes: (1) £2(\$3) per holding, min. \$75 per quarter. (2) No cost for holding U.K./A.S. stocks, \$150 per year for holding European stocks. (3) \$100 per year for holding Australian, Hong Kong, South Africa, U.S. (4) 10% discount on commission charged if client deals through telephone services.

Barclaysshare: offers access to unit trusts, gts and mutual funds. Mutual fund commission scales as follows: 1% on deals up to \$100, 0.75% on deals up to \$1,000, 0.5% on deals up to \$10,000, 0.3% on deals up to \$100,000, 0.2% on deals above \$100,000. Fidelity**: Access to mutual funds and unit trusts. Offers discounts on day trading. Schwab***: Offers discounts on mutual funds which carry front-end charges.

Source: Company reports

Similarly, for those who require exposure to the emerging markets — few execution-only brokers offer access to these markets — an emerging-markets fund may be preferable to direct investment. Most execution-only brokers avoid dealing in unit trusts and other funds because they are messy and time-consuming.

A spokesman for Fidelity said: "There is always a time lag between placing the order and buying the units. To begin with, the broker has to get an indicative price for the units, clear this with the client and then go to the unit trust management group to find the next price at which to buy into the fund."

The way in which funds are priced is also confusing. With unit trusts, investors purchase units at the offer price and sell them back to the management group at the bid price. The difference between the two prices is called the bid/offer spread, which is usually around 5 to 6 percent.

The offer price is calculated by taking the lowest market dealing price for shares in the unit trust and adding dealing costs, stamp duty and undistributed income. The bid price is arrived at by taking the highest dealing price and then subtracting dealing costs and uninvested cash. There is also a cancellation price, which is the price at which some fund managers will buy back the

units if the investor changes his mind within 14 days.

The pricing of open-ended collective investment funds, such as SICAVs, is much easier to understand. There is basically a single pricing structure with no spreads. The funds are repriced every day and the prices move according to the value of underlying assets in the fund. On any given day the price at which you can buy into the fund or sell will be the same.

"The way in which a SICAV is priced is no more advantageous than, say, a unit trust," a Fidelity spokesman said. "However, open-ended collective investment vehicles are far more sensibly structured and the regulatory restrictions are less onerous for riskier investment undertakings such as the emerging markets."

Another point to be aware of is the distinction made between load and no-load funds. With a no-load fund there is no up-front charge, or fee when shares are acquired, but investors will probably have to pay a penalty when they move out of the fund — after all, brokers have to get their commissions somehow. All other funds carry a front-end charge that is incorporated into the purchase price.

Both pricing systems have advantages and disadvantages. "If investors opt for a no-

load fund they can choose exactly when they want to pay the commission and get out of the fund. Moreover, for long-term investments there may be no charge levied," a Fidelity spokesman said, adding:

"On the other hand, by paying an up-front charge, investors know exactly what they are paying. For example, if the front-end charge is 1 percent, this is the maximum that investors will pay. With a no-load fund the value of the fund may have risen sharply by the time the investor decides to realize his holdings, and, if he has to pay 1 percent of the fund value as a 'get out' penalty, the ultimate cost to the investor will be substantially higher."

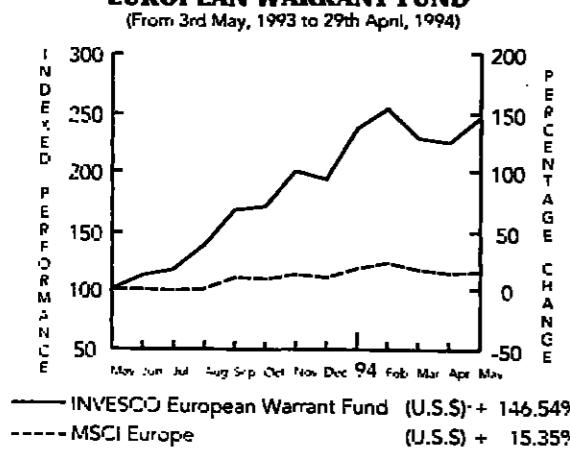
Finally, it is worth finding out if the broker offers discounts on fund purchases — this is only an advantage for funds that have a front-end charge. While Schwab offers discounts on U.S. mutual funds, a significant proportion of these funds do not have a front-end charge. Fidelity offers discounts on U.K. unit trusts, all of which carry a front-end charge. Its discounts start on purchases of £5,000 (\$7,500) and go up to as much as 3 percent of the initial charge.

The Money Report is edited by Martin Baker

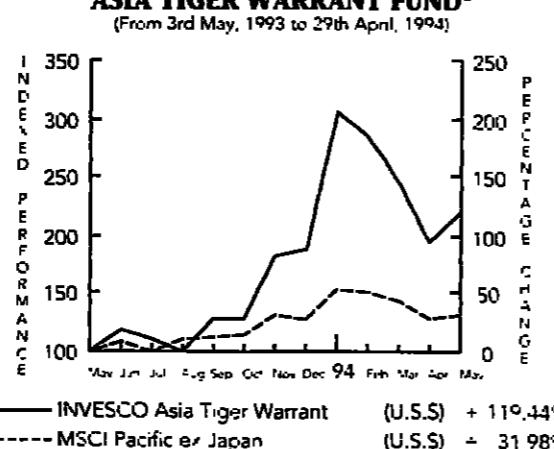
INVESTCO Fund Performance Comparisons

INVESTCO

EUROPEAN WARRANT FUND*
(From 3rd May, 1993 to 29th April, 1994)



ASIA TIGER WARRANT FUND*
(From 3rd May, 1993 to 29th April, 1994)

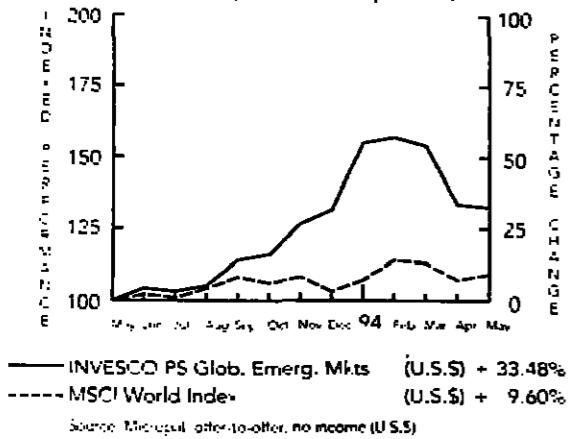


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* Investors should note that equity warrants are a highly geared form of investment and therefore are categorised as high risk. Typically they should form no more than 1-2% of an overall balanced portfolio.

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THE MONEY REPORT

Losing Your Wallet: It's Now Less Awful

By Barbara Wall

AROUND this time of year most of us are looking forward to a well-earned summer vacation. But imagine the following scenario: on arriving at the holiday resort you are horrified to discover your wallet is missing. You barely have enough money to pay for a taxi to the hotel, let alone cover the cost of accommodation for the first few nights. A return flight is also out of the question because tickets and passport are safely tucked away, or so you thought, in the missing wallet.

Optimistic souls might decide to take a chance and rely on the goodwill and generosity of the hotel manager or fellow tourists. A less embarrassing alternative is to pay through the nose for a telegraphic money transfer, though this may prove time-consuming if you discover the loss at the weekend when most banks are closed. Even if the transfer is requested midweek, it will generally take two to four days to be processed—and what do you do in the meantime?

A handful of emergency money transfer services now guarantee automatic international payments around the clock. Western Union, in London, offers instant money transfers via a network of 20,000 agents located worldwide. If you are stuck for money, a friend or relative can pay the desired amount into their nearest Western Union agent and you can collect the foreign currency equivalent from a recipient agent nearest you within 10 minutes. The agency network includes pharmacies, grocers and travel bureaus, many of which are open late and at weekends.

The cost of the service will depend on the transfer amount. A money transfer of \$450 to \$600 will cost \$48 and a transfer amount of \$1,000 to \$1,500 will set you back \$70. Barry O'Sullivan, Western Union's sales and marketing director said: "Nobody has ever complained about the cost of the service. Our customers are just relieved that their holiday has not been ruined."

Western Union has also helped travelers caught up in potentially dangerous situations. "One gentleman telephoned Western Union in a state of panic because his daughter was stranded in Thailand without money or accommodation. We were able to transfer money to his daughter within 15 minutes," said Mr. O'Sullivan.

American Express also offers a same-day money-transfer service. Their "Moneygram" enables the transfer of up to \$7,500 in less than 10 minutes. The service is not restricted to American Express cardholders and is available at more than 12,000 locations in 61 countries. While most banks will happily arrange a telegraphic transfer, few offer a cut-price instantaneous money transfer service, and of those that do, the service is generally restricted to a handful of countries.

The Royal Bank of Scotland's interbank Online Service is available to customers of the bank and its affiliated banks in France, Spain and Portugal. The service costs \$10 to \$27, depending on the transfer amount. In addition, a charge is usually levied by the recipient bank.

A wider choice of services is available if you can afford to wait a few days for delivery of the money. A straightforward foreign-

International Money Transfers

Provider	Availability	Agents	Delay with provider	Account	Cost	Minimum transfer
American Express Moneygram	61 countries	Amex branches	auto.	\$0-\$300-\$35	\$7.50	
Barclays Bank F/T draft (1)	worldwide	most banks	7 days	yes	£12	£7.50
Telegraphic transfer	worldwide	most banks	2-4 days	no	\$27-\$33	\$10
Compuserve	France, Belgium, Germany, Italy, Canada	COPPE, CNCP, 4 banques, BPM/BPV	3 days	no	\$5	\$100
Net			7 days			
Swiss	worldwide	midt banks	varies	yes	ES (2)	\$150
NetWest Relay	Germany, Italy, France, U.S., Spain, Denmark, Canada	Commerzbank, Credito Italiano, Societe Generale	6 days	yes	£9	£500
Postal Bank UK (3)	France, Spain, Portugal	CCF, Banco Santander, BCI	auto.	yes	£7-£18 or (3)	£10
Western Union	70 countries	24,000	auto.	sliding scale	\$18 to \$155 (4)	\$10

(1) Exchange payment in pounds sterling and U.S. (2) Charge will be levied by receiving bank; averages 1.05-1.10. (3) Charge levied by receiving bank: France, £1.00; Spain, 0.25%; Portugal, 100 reais. (4) Average transfer amount is \$100. Cost works out at around \$45.

Abbreviations: American Express Moneygram, CNCP, Caisse Nationale de Crédit Professionnel; COPPE, Caisse Centrale de Marchés; 4 banques, BPM, Banco Popolare di Milano; BPM, Banco Popolare di Venezia; COP, Credito Commerciale di Parma.

Source: Company reports

International Herald Tribune

currency bank draft takes about a week to process and costs about \$18 for transfers of small amounts. A less-expensive alternative is the Tapis Net service offered by partners of the U.K.-based Cooperative Bank in France, Belgium, Italy, Germany and Canada. A flat fee of about \$7.50 is charged for transfers of up to \$7,500. The Cooperative Bank guarantees that the money will arrive in a specified time: three days for transfers from Britain to France, and eight days from Europe to Canada. The service will shortly be available for transfers to and from the United States.

National Westminster bank in Britain has recently introduced a transfer service for small amounts for international clients. A spokesman for the bank said: "Until now, the cost of remitting funds from the U.K. abroad has been subject to variable agents' charges levied by the overseas banks handling the transaction. We offer our customers a fixed price, fixed delivery service."

The service, NatWest Relay, allows customers to send payments up to the equivalent of \$3,500 in local currency directly to a recipient's bank account in any participating country for a flat fee of £9 (\$14). The bank guarantees payment within six days, though a spokesman said that 4 days was the norm. Since announcing the proposed scheme in February with Commerzbank in Germany, Credito Italiano in Italy and Societe Generale in France, NatWest has concluded bilateral agreements with banks in the United States, Spain, Denmark and Canada.

"The service is aimed at customers who need to make low value, regular payments abroad," said a spokesman for NatWest Relay. "It can be used by businesses to settle bills and pay pensions, dividends or salaries, while personal customers can pay magazine subscriptions, overseas mortgages and general purpose payments."

Visa, the international credit card group, plans to offer a money transfer service to cardholders within the next few months, but it still has a few problems to iron out.

"Research shows that 40 percent of payment transactions in Europe are destined for countries outside Europe, particularly the United States," a company spokesman said. "If the transfer service is to be effective, it must be available worldwide. However, Visa has encountered legal and regulatory problems in relation to U.S. banking laws."

Finding a cheap and efficient international payments service is not easy, especially if you need to send money to countries outside the European Union. Pay particular attention to foreign-currency transaction charges, conversion rates and hidden bank charges in the recipient country. Finally, it is worth finding out if the transfer service shoulders the responsibility for lost or delayed payments. While all of the providers surveyed said that they would accept liability and make the necessary compensation, this is not always stated in the contract.

BRIEFCASE

Italian Bonds Nicely Survive Nation's Political Troubles

Rumors of the death of the Italian bond market have been exaggerated. Whether the markets like the new government or not, the returns for April show a net gain to dollar-oriented investors of 1.28 percent, according to figures published by Kemper Investment Management Company Ltd.

In local currency terms, the Italian bond market broke even, unlike the other 20 markets monitored by the firm. The rest lost money, with the worst returns coming from Swiss bonds, which were 2.47 percent worse on the month. The best performer was the Irish market, just ahead of Italy with 1.67 percent.

We believe there is now increasing evidence of a recovery taking hold in certain areas of the Japanese economy," said Jeremy Hill, a director of Schroder Investment Management. "We are recommending that our retail investors invest now."

Shares in the fund (which come with warrants) are priced in pounds.

For more information, call Schroder in London at (44 7) 382 6000.

ATM Networks Push On With Worldwide Expansion

The financial pioneering of automated teller machines continues. The two big networks, Visa and MasterCard, are competing to build ever-larger systems of linked ATMs

worldwide.

The latest development is an extension to the system that links MasterCard, CIRRUS and Europay, with 2,500 ATMs having been added in Turkey. More than 3,500 machines will be connected by the summer tourist season, according to a Europay spokesman.

The Europay/MasterCard/CIRRUS network has now grown to more than 172,000 machines in 55 countries, according to Euro-pay figures.

Trust to Limit Death Taxes Unveiled in Virgin Islands

Interested in asset protection? A new offshore trust plan is on the market from a British Virgin Island-registered company, O.F.S. (International) Ltd. The plan is designed to limit inheritance tax liability for individuals domiciled in Britain.

Readers are strongly advised to seek professional advice before entering such schemes.

For more information, write O.F.S. care of Trident Chambers, P.O. Box 146, Wickhams Cay, Road Town, British Virgin Islands.

Information Highway: Brokers Rev Up

By Baile Netzer

FOR a great number of individual investors, U.S. discount brokers have attained the stature of grass-roots heroes. They are the little guys who undercut the big commissions of full-service competitors by eliminating cold-calling, aggressive brokers and voluminous research reports. The key to their success is obvious: They realize that many investors dread nothing more than a broker with a tip.

The growing success of computer trading programs has brought discount brokers to realize a deeper truth: Many investors prefer not to talk to anybody at all. Just hand them the keyboard if you please and they will trade electronically.

Indeed, a few Schwab customers discovered the advantages of computer trading before the company was among the first to offer computer trading through Compuserve, U.S. investors living abroad quickly caught on to the idea of buying and selling stocks electronically.

Today, investors using the service can open an account and trade on-line 24 hours a day. Some discount brokers even slash their commissions by 10 percent for investors who use their computer trading services.

Only a handful of U.S. discount brokers have introduced computer trading and only one, Charles Schwab, has specifically marketed its software to international clients. But there are at least three other U.S. discount brokers that allow international customers to trade via computer. To take advantage of the services, investors need a computer, a modem and communications software.

Though both Fidelity Brokerage Services and Charles Schwab have made aggressive forays into Europe, Schwab has been far more aggressive in marketing its computer trading services.

The discount broker Quick & Reilly also offers a computer trading program known as Quick Way. Though the company does not offer extra discounts for computer trades, investors can access the company's system without paying commissions.

Nonetheless, for investors who stick with Fidelity, they must buy the company's Fidelity On-line Xpress software (\$49.95) in the United States. Fidelity's American arm has offered the program since

1992. However, unlike Schwab, the European office is not planning on selling software outside the U.S. anytime soon.

"Because we don't sell our software internationally, the customers that have it outside the U.S. are basically customers who took it abroad with them," says Donna Morris of Fidelity's U.S. unit.

Still, Fidelity representatives say their European discount brokerage business is booming. In the last year, the company has tripled its client base and added toll-free telephone numbers for investors in Britain, France and Germany. Though investors can't avoid speaking with someone, they won't have to pay for it.

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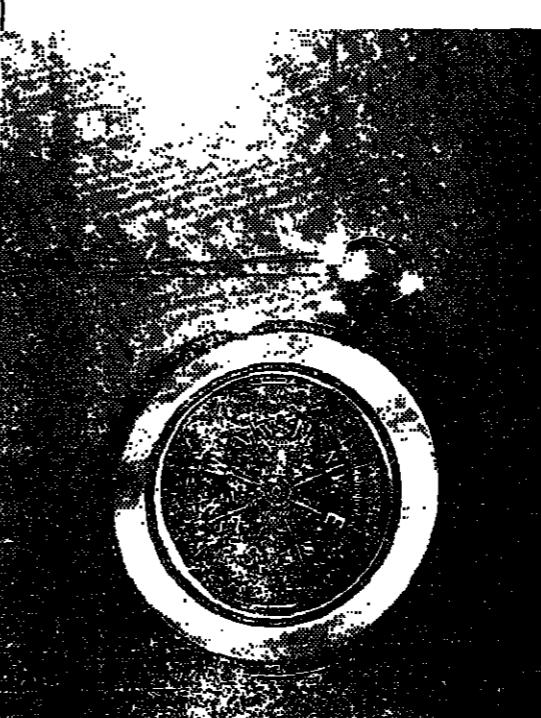
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SPORTS

Yanks, Cooking At Home, Win 7th Straight

The Associated Press

Ah, home, sweet home. Even in New York.

Bernie Williams hit a base-loaded single in the 10th inning Thursday as the New York Yankees won their seventh straight, 7-6, over the Cleveland Indians, losers of 9 of their last 10. All seven victories have come at Yankee Stadium.

The victory improved New York to a major-league best 23-10.

"I feel like we can't lose," said Luis Polonia, who had as a pinch-hitter singled in the 10th for his 1,000th hit in the major leagues. "I feel like we're going out to win every game. I think everyone feels the same way. I don't think anyone can beat us right now."

Holding a 6-3 lead, the Yankees were one out away from putting the

Pirates Give Phils Boost

The Associated Press

Terrible now, the Philadelphia Phillies year to be average.

The defending National League champions, firmly in last place in the NL East with a 13-21 record, beat the visiting Pittsburgh Pirates, 6-4, Thursday night.

"It's something we can build off of," said Pete Incaviglia, who doubled twice and hit his fifth homer.

He pointed to several reasons why the victory could boost the

NL ROUNDUP

Phillies out of the cellar and back into contention.

One was that Tommy Greene, a 16-game winner last season, got his first victory this year. Greene, who began the season on the disabled list with a sore right shoulder, allowed 10 hits in six innings, walking three and striking out five. But he only allowed one run, and the Phillies had a four-run lead when he left.

"Our main concern and goal is to get back to .500," said Lenny Dykstra, who went 3-for-4 with an RBI. "Everyone in this room knows we haven't played the baseball we're capable of playing yet."

However, first baseman John Kruk was to undergo arthroscopic surgery on his right knee Friday and will miss the next three weeks.

Kruk, who missed the first six games of the season after having a cancerous testicle removed March 8, will have loose cartilage taken out of the area where the right hip bone joins the lower leg.

Cubs & Cardinals 6: Pinch-hitter Shawon Dunston broke a ninth-inning tie with a two-run homer as Chicago rallied from a four-run deficit in St. Louis.

The Cubs, after a 7-6, 11-inning loss Tuesday, began the game 1-20 when trailing after seven innings.

Marc Parent led off the ninth with a single, his third hit. Two batters later, Dunston homered on the first pitch from Rob Murphy.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE		
East Division		
New York	17	17
Baltimore	14	17
Boston	14	17
Toronto	17	17
Detroit	17	17
Central Division	17	17
Chicago	18	14
Kansas City	16	15
Milwaukee	17	16
Cleveland	17	15
Minnesota	17	15
West Division	17	17
California	18	15
Texas	13	18
Seattle	13	17
Oakland	13	17
NATIONAL LEAGUE	17	17
East Division	17	17
Atlanta	21	11
Montreal	18	15
New York	18	15
Florida	18	15
Philadelphia	13	21
Central Division	17	17
Cincinnati	17	15
Pittsburgh	17	15
St. Louis	17	15
Houston	17	15
Chicago	10	22
West Division	18	16

Thursday's Line Scores

AMERICAN LEAGUE

East Division

Central Division

West Division

NATIONAL LEAGUE

East Division

Central Division

West Division

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JAPAN 150

SPORTS

Senna Killed By Car Debris

The Associated Press

MONTE CARLO — Ayrton Senna was killed by a part of his car striking his head, according to the autopsy report.

"A part of the suspension of the car went through his helmet and caused the head injury from which he died," Max Mosley, president of FIA, said Friday.

Senna, 34, died May 1 after his Williams-Renault crashed into a concrete barrier at the Tamburello turn during the San Marino Grand Prix in Imola, Italy. The autopsy was performed in Bologna the next day.

Mosley said it was not yet known what caused Senna to crash at a speed of 310 kph (192 mph). Telemetry data has so far failed to discover a technical problem, while the car remains under the control of Italian authorities.

An on-board camera in Senna's car that could have provided vital clues was working at the time of crash, Mosley said, but its signal was not one of those being picked up by the monitoring helicopter.

UPI photo/Agence France Presse
Heinz-Harald Frentzen (from left), Gerhard Berger, Johnny Herbert and Michael Schumacher leaving the drivers' meeting.

As Stich Backs Out, Sampras Looks Ahead

By Ian Thomsen

International Herald Tribune

ROME — An intriguing domestic collision was avoided Friday when the No. 2 seed, Michael Stich, pulled out of his Italian Open quarterfinal with the suddenly clay-court Boris Becker. But that's mostly a German concern.

Of universal importance is the attempt later this month by the world's top-ranked player, Pete Sampras, to complete a consecutive Grand Slam — four in a row — on the clay of Roland Garros. After winning his quarterfinal Friday against the unseeded Italian, Andrea Gaudenzi, 6-3, 7-5, Sampras now is looking forward to a semifinal on Saturday against another unseeded European, Slava Dosedel of the Czech Republic.

Dosedel, ranked 51st in the world, ended the bid of Jim Courier to win the Italian Open for the third straight year. In their Friday quarterfinal, Dosedel took a first-set

drubbing, then turned around and whipped the No. 3 seed, 1-6, 6-3, 6-4. Also ended was Courier's string of 15 match victories at the Italian Open.

Sampras has been having trouble with his forehand this week. He has been guilty of attempting winners at the wrong time, admitting that on clay he lacks the court sense which he has earned on the fast surfaces. He controlled the first set against Gaudenzi, who at 17 was winning the 1990 U.S. Open junior title just as the 19-year-old Sampras was winning the men's title.

The second set became more work for Sampras after Gaudenzi had recovered three break points to hold serve in the first game. Thereafter, Gaudenzi — brave with the Center Court audience behind him — fought for everything, including every close line call.

Trailing by a break point, Sampras served three straight aces to hold serve in the fourth game, then waited until Gaudenzi was willing to be broken in his final service. These

are signs that Sampras's uncertainty on clay might be overwhelmed by his newfound tenacity, which came into bloom with his victory last summer at Wimbledon — where he beat Courier.

According to the No. 1, Courier's ability to reach that final on grass would be similar to Sampras's advancing to the final at Roland Garros. So we are left with yet another example of tennis' misguided leadership — its inability to turn the Sampras-Courier rivalry into a Magic Johnson-Larry Bird sort of thing. That responsibility will probably be taken up by Courier's sponsor, Nike, which takes on Sampras this summer.

In the other half of the draw here, No. 4 Goran Ivanisevic beat Jacco Eltingh of the Netherlands, 7-6 (7-5), 6-3, to earn a semifinal against Becker, who should be rested.

Becker leads his rivalry with the younger Stich, 5-3, having won their last two meetings at Wimbledon and this year indoors at Stuttgart. The 25-year-old Stich called in

sick with an attack of lumbago, which in any office is greeted with suspicion.

"Pain is felt in lower lumbar region and in both legs with consequent loss of muscular strength," read the medical report of Stich's examination Friday morning. "Pain is felt when pressure is put bilaterally on the lumbar region. These are the only symptoms pertaining to the injury."

The German press was busily investigating another symptom not pertaining to the injury, Stich's wife, Jessica, was stopped for speeding at 2 A.M. Thursday and was accused of driving while over the alcohol limit. She was driving a courtesy car lent from the previous week's tournament in Hamburg. Jessica Stich is a celebrity at home for her role in a soap opera, in which she portrays a doctor.

Stich's withdrawal was further clouded by reports that Stich's brother, Andreas, is to be married Saturday in a suburb of Hamburg.

His husband's withdrawal was further clouded by reports that Stich's brother, Andreas, is to be married Saturday in a suburb of Hamburg.

Hawks Tie Series, 1-1, Holding Pacers to Record-Low 69 Points

The Associated Press

The key element, Lemoy Wilkins, breached when he took over as Atlanta's coach last June, was defense. And that's what the Hawks stressed in the second game of their Eastern Conference semifinal series against the Indiana Pacers.

The result was immediate and dramatic.

Holding the Pacers to the fewest points in NBA playoff history, the Hawks got 20 points each from Danny Manning and Kevin Willis to win, 92-69, Thursday night and tie the series at 1-1.

"This was a huge turnaround for us after we were embarrassed the other night," Wilkins said of Atlanta's 96-85 loss in the series opener Tuesday night.

SIDELINES

South Korean Elected to FIFA Post

KUALA LUMPUR (Reuters) — The head of South Korea's World Cup campaign, Mong Joon Chung, was elected Friday the Asian Football Confederation's vice-president on soccer's world governing body, FIFA.

Chung, son of Hyundai Heavy Industries' founder Ju Yung Chung, trounced his rival from Japan in a victory that was seen as a big boost to South Korea's bid to host the World Cup finals in 2002.

Chung got 11 votes, followed by Sheikh Ahmad Fahad al Ahmed of Saudi of Kuwait with 10 and Muhammad Hammam al Abdullah of Qatar with eight. Taduo Murata, the head of Japan's World Cup campaign, received only two votes.

Golf Tournaments Delayed by Rain

MADRID (AP) — Heavy overnight rains that continued through most of the day virtually wiped out Friday's second day of play in the Spanish Open, forcing officials to reschedule most of the rounds for Saturday.

The GTE Byron Nelson Classic in Dallas was also hit by rain; it already had been reduced to three rounds.

A First for Spain in Tour of Spain

PALAZUELOS, Spain (AP) — Marino Alonso gave the host country its first stage victory in the 1994 Tour of Spain when he won Friday's 204.5-kilometer (124.8-mile) 19th stage from Avila to Palazuelos.

Alonso finished six minutes ahead of Italians Roberto Pagni and Ricardo Forconi after a long breakaway.

For the Record

Del Harris, who coached four years each at Houston and Milwaukee, (AP) was hired as coach of the Los Angeles Lakers.

Ski Paradise of France, favored to win her second straight race in Japan, drew the No. 13 post position for Sunday's Yasuda Memorial.

Britain's Sayyedati, also highly regarded, drew No. 6 spot.

Atlanta surged to a 61-42 lead halfway through the third quarter, then withstood a run that closed the Pacers to 65-57 on Reggie Miller's 3-point shot with a second left in the period.

The Pacers, who shot 31.8 percent for the game, and only 29.4 percent in the final quarter, when they had seven of their 17 turnovers.

Mookie Blaylock added 11 points, 13 assists and 10 rebounds for the Hawks, the fourth triple double of his career.

Jazz 3 and 4 will be played Saturday and Sunday at Indiana before the best-of-7 series returns to Atlanta on Tuesday night.

Malone, who also had 12 rebounds, repeatedly took the 7-foot-2 Mutombo to the hoop, twice drawing fouls on made baskets as the Jazz successfully defended their homecourt advantage.

Denver plays host for Games 3 and 4 on Saturday and Sunday. Game 5, if needed, will be at Utah on Tuesday.

Mutombo blocked eight shots, while Mahmoud Abdul-Rauf had 23 points for Denver before leaving the game with a bruised right knee late in the game.

The Jazz, leading by three points as the fourth quarter began, got three baskets from Malone in the first 4:28, his 16-foot fadeaway jumper build the lead to 86-87.

Back-to-back dunks by Benoit and a jam by Chambers pushed the margin to 13 with 2:01 to play. The Jazz got their final point, and biggest lead, when Mutombo was called for a technical with 21 seconds left, and Chambers made the free throw.

Denver plays host for Games 3 and 4 on Saturday and Sunday. Game 5, if needed, will be at Utah on Tuesday night.

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Karl Malone, drawing a foul on a dunk, defied shot-blocker Dikembe Mutombo and scored 32 points as Utah won, 104-94.

INTERNATIONAL CLASSIFIED

(Continued From Page 13)

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DAVE BARRY

The Hairball Vacation

MAMI — Summer vacation is almost here. Soon it will be time for you parents to pile the kids into the car, show them how to work the ignition key, then watch them roar off down the street, possibly in reverse, as you head back into your house for two weeks of quiet relaxation.

I am pulling your leg, of course. You have to go with them. You also are required, by federal law, to take them to at least one historical or natural site featuring an educational exhibit with a little button that you're supposed to push, except that when you do, nothing happens, because all the little light bulbs, which were supposed to light up in an educational manner and tell "The Story of Moss," burned out in 1973. But this does not matter. What matters is that this is a memorable and rewarding and, above all, enjoyable vacation experience that you are providing for your children whether they like it or not.

"DAMMIT YOU KIDS," you might find yourself complaining to them. "IF YOU DON'T TAKE THOSE LEGOS OUT OF YOUR LITTLE BROTHER'S NOSE AND COME LOOK AT THIS EDUCATIONAL EXHIBIT THIS INSTANT, I SWEAR I WILL NOT TAKE YOU TO THE OYSTER KINGDOM THEME PARK."

This situation demonstrates why you should never set out on a family summer vacation without a complete set of parental threats. You cannot simply assume that when your children have, for example, locked somebody else's child inside the movie ice machine, you'll be able to come up with a good parental threat right there on the spot. You need to prepare your threats in advance and write them on a wallet card for easy reference.

YOU (sternly): If you kids don't let that child out of the ice machine this instant, I'm going to . . . (referring to wallet card) . . . DON-AOTE MY ORGANS.

FIRST CHILD: Huh?

SECOND CHILD: He's reading from his driver's license again.

YOU (referring to another wallet card): O.K., here we go: I'm going to TAKE AWAY YOUR GAME BOY.

FIRST CHILD: We don't have a Game Boy.

SECOND CHILD: Jason threw it into the Water Whiz ride back at Pez Adventure.

YOU (in a very stern parental voice): All right then, we'll just have to BUY ANOTHER ONE.

□

Yes, you need strict discipline on a family vacation. You also should have some kind of theme for your trip, and this year the theme that I am recommending is: Hairballs Across America. Your first stop is Garden City, Kansas, home of the Finney County Historical Society Museum, which features, according to news reports sent in by many alert readers, the largest known hairball in captivity, not counting members of Congress. This hairball measures 37 inches in diameter and weighs 55 pounds. That is what we in professional journalism call "a big hairball."

I called up the historical society museum director, Mary Warren, who told me that the hairball was graciously donated by a local meatpacking plant, which found it inside the stomach of a cow. After you tear them away, your next stop will be the nearby Midwestern state of Indiana (motto: "It's Pretty Flat"), where you will be visiting the city of Alexandria. This is the historic site where it took three men to pull a giant hairball out of a manhole last year.

"We thought we had a goat," a city sewer official was quoted as saying.

Needless to say, this hairball was not caused by a cow. Cows do not fare well in the sewer environment, because of the alligators. This hairball was formed by people taking showers, and having their hair wash down the drain and clump together in a giant mass.

Tragically — and this is yet another argument for stricter federal guidelines — the giant hairball was left outside, and it disintegrated.

"Just think, kids!" you should tell them. "Right here in this town, there was a hairball THE SIZE OF A GOAT! Isn't that amazing? Kids? HEY! YOU KIDS COME BACK HERE!"

You should never have left the keys in the car.

Knight-Ridder Newspapers

Forget Trekking, Fly a MiG at Mach 2.4

International Herald Tribune

PARIS — No one wants to look at vacation snapshots of beaches, rolling countryside, or even — things have come to this world-weary pass — of gold panning in Lapland or torpid turtles in the Galapagos. It is time to aim higher — 25 kilometers (15 miles) into the sky, for example.

A Florida company called MIGS etc., Inc. has since October sent more than 100 tourists into empyrean space

MARY BLUME

in cash-hungry Russia where everything these days is for sale, from Kim Philby's fedora to solar-power cells.

"Send in your helmet size . . . your dream is ready to fly," says the company's promotion cassette.

Before taking the controls of a supersonic fighter aircraft with a flight plan they have helped to design, most of MIGS etc.'s customers have experienced nothing more exciting than bumping along in commercial aircraft. The flight packages range in price from \$7,000 to \$50,000, depending on the program chosen. Hotels, meals and a Moscow tour are included. Those who wish to take their flight suits home with them pay an extra \$100.

Customers sometimes look a bit green on landing, says the company's Moscow manager, Marina Zaikovskaya, the daughter of a Russian test pilot, grounded herself by motion sickness. But they tend to croak out the same enthusiastic words.

"I have made a list," Zaikovskaya says. "Incredible! is what 90 percent say. The other 10 percent would be distributed between Marvelous! Great! and It's better than sex!"

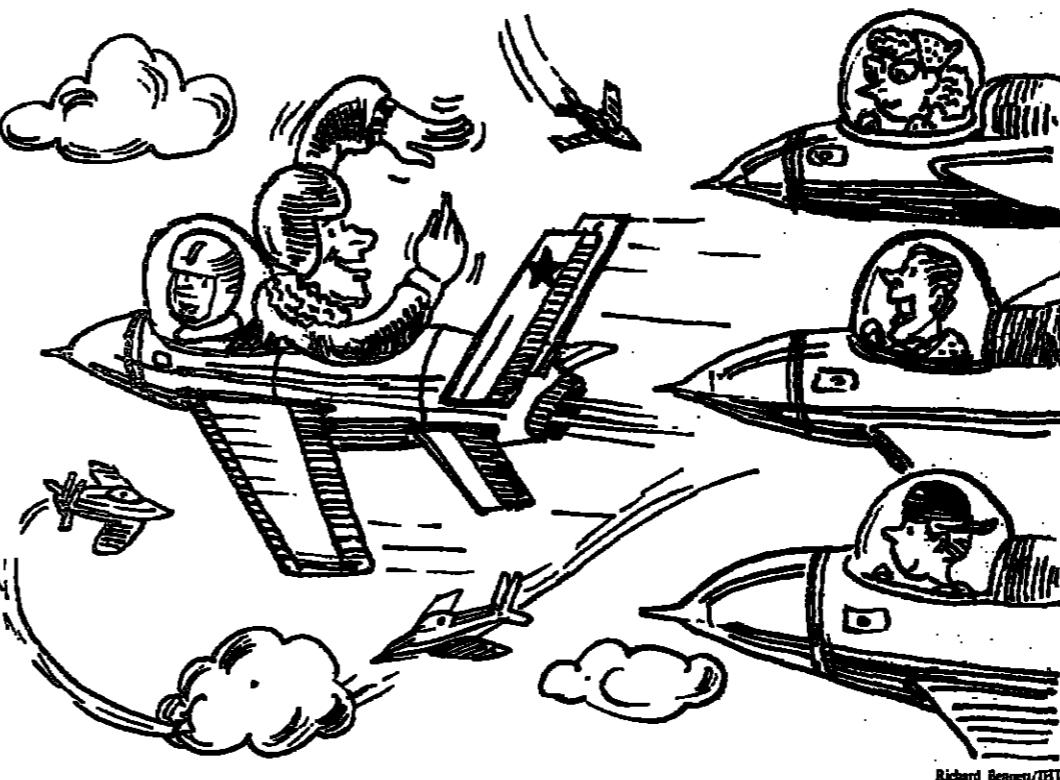
The founder of MIGS etc., talking by telephone on a visit to Moscow, is Kent Ertugrul, 30, who used to work in investment banking and in computer software for drive-through hamburger restaurants. "We didn't really think of it as a business, just put it out to see if people were interested and they were. You can't do any market research for this sort of thing, you just have to throw it out and see what happens."

The aircraft the company uses — MiGs and the Sukhoi-29 — are at the Zhukovsky air base near Moscow. Negotiations to use them with top English-speaking test pilots as instructors were surprisingly easy, Ertugrul says. "By and large, there is less red tape in Russia than anywhere else. Things are in a tremendous state of flux right now — people are looking for opportunities, new things to do."

Customers, who come from the United States and Europe and will soon be flying in from Japan where Ertugrul has signed a contract for zero-gravity flights, begin in a L-39 jet fighter/trainer with their own private instructor. With their instructor, they then fly a real MiG-29 with a maximum speed of Mach 2.3, a MiG-31 Foxhound, an interceptor that can reach Mach 2.4, or the SU-27 which can execute the famous cobra maneuver in which the aircraft pitches to an angle of attack of more than 90 degrees and recovers to a normal flight attitude within seconds. No previous flying experience is necessary.

"If you have piloted a single engine aircraft it doesn't really help anyway," says Julia Ragona, the company's Florida-based sales director whose ear problems prevent her from testing her product. "Jets and aerobatics are a very different thing."

The customers have ranged in age from 16 to 72. They first undergo a physical at the airbase to see what they can



Richard Berman/HT

take. "If you can fly in a commercial aircraft you can fly in one of these," says Ragona. "The question is how many maneuvers you can do or how many G's you can pull."

Those who are not up to a cobra, a wing-over, an Immelman or even a loop or a roll can simply aim their MiG into the upper atmosphere where they can see the Earth curve and, perhaps, feel it move.

The company's Ultimate Flight program begins with five combat flying lessons on the L-39 and culminates in a mock MiG or SU-27 dogfight in real planes in which a customer combats a friend or — and this has happened — a spouse.

On the last day of dogfighting, a panel of judges reviews videos of the combat and declares the winner, who receives a silver-plated helmet signed by the test pilots as well as video tapes of the dogfights, edited and set to music.

Those who feel deprived by Congress's recent strictures on automatic weapons can also enroll in Military Adventures program in St. Petersburg. It offers an opportunity to fire a Kalashnikov machine gun or a rocket-propelled grenade launcher and to drive a T-80 turbine-powered tank and let off a shell or two. The company has also begun to offer rides in training craft that simulate weightlessness and future possibilities are unfurled. Ertugrul says.

"There's a lot to be done with using the military industrial complex for tourism without getting into the Rambo world or the Soldier of Fortune world, which we definitely want to avoid. There's a lot of fun stuff you can do."

Dogfights, assault weapons: Ertugrul could be accused of encouraging military freaks. "I think it's quite the

opposite," he says. "I am personally not a gun freak or a military freak at all and if we have made a point of not advertising in publications addressed to that market, though believe me the opportunity is there, it's because we're not interested in that sort of customer. The way I look at it, this probably the best use anyone has found for this stuff. Its sole purpose was to kill people and what better way to use it than for fun?"

It's a white knuckle sort of fun, but only if the customer wants it to be, Ragona says. "You can roll at a high G or a low G, depending on how you take it. You can do a variety of things at low G and have it be fun but not white knuckle."

One attraction for the Russians, she says, is that the venture brings publicity to the aircraft manufacturers whom she describes as the Russian equivalent of Boeing or Lockheed with an eye to the nonmilitary market.

The financial arrangements between MIGS etc. and the Russians are about the only thing that is still top secret. The pilots have pronounced themselves extremely satisfied.

Ertugrul, sensitive about recent world headlines concerning a Russian airliner, emphasizes his own pilots' skill.

"What you have to bear in mind is that the pilots we're working with are the best; they're the test pilots who do air shows overseas. To associate them with ordinary air force pilots or Aeroflot would be a mistake."

There have been no mishaps so far but the company warns that its programs are inherently dangerous and requires its customers to sign a release form. At least they needn't worry about the pilots — they are all more than 15 years old.

PEOPLE

Barbara Gail Sand
From Bill and Hillary

Barbara Streisand, wimped Washington off by crowning megalomaniac and Hillary Rodham Clinton, bevy of capital power and US Air Force. After a dinner Georgetown home of Senator Bill Bradley, where she had played the piano. Power sang show tune. Streisand rushed over to watch "Nightline" final room.

White House adviser Stephen Sackman, speechwriter, gave a peek at President's reading list. It includes "The Amorous," 1944; "The Clinton World War II," 1945; "The Longer Day," 1946; "The Mystery," a book which is a collection of "General X," 1947; a former National Security staffer, called "The Power," 1948.

A New York appeals court ruled that Wendy Anderson, two adopted children had in Mrs. Farrow's custody, violated visiting rights for her director.

A Los Angeles judge has auctioned off documents belonging to Marilyn Monroe, including a letter from Robert Kennedy, that appeared to support a relationship between Kennedy and the late movie star, love letters from Whiteman to Muriel Wilson, several of which Christie's for \$50,000.

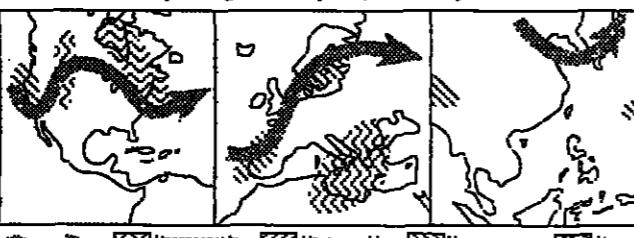
Paolo Gucci, heir to the goods empire, has been released from prison after his wife, Jennifer Padden, 26, was paid almost \$300,000 in alimony and child support. Gucci, 63, had been jailed on contempt charges. He faces U.S. bankruptcy court debts of \$90 million.

INTERNATIONAL CLASSIFIED

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WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



Asia

	Today	High	Low	W	Tomorrow	High	Low	W	CF	CF	CF	CF
Bangkok	30.29	24.03	21.25		30.31	24.07	21.27					
Hong Kong	29.64	24.75	20.94		29.63	24.83	21.95					
Manila	30.95	24.75	21.53		30.95	24.75	21.53					
Singapore	27.73	21.73	17.65		27.73	21.73	17.65					
Tokyo	25.71	19.68	16.53		25.71	19.68	16.53					
Others	25.77	19.67	16.52		25.77	19.67	16.52					

Europe

Denver through Calgary will be dry and warm. London and Paris will bring scattered rains. Cooler weather and rain will spread Oslo and Stockholm through Monday. Rome through Athens will have sunny, very warm weather Sunday through Tuesday.

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